

Annex

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from 13 to 17 November 1978

Europe House, Strasbourg

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Appearing at the same time as the English edition are editions in the five other official languages of the Communities : Danish, German, French, Italian and Dutch. The English edition contains the original texts of the interventions in English and an English translation of those made in other languages. In these cases there are, after the name of the speaker, the following letters, in brackets, to indicate the language spoken : (DK) for Danish, (D) for German, (F) for French, (I) for Italian and (NL) for Dutch.

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## IN THE CHAIR : MR MEINTZ

*Vice-President*

**President.** — The sitting is open.  
(*The sitting was opened at 5.05 p.m.*)

1. *Resumption of the session*

**President.** I declare resumed the session of the European Parliament adjourned on 25 October 1978.

2. *Congratulations*

**President.** — The President of the European Parliament has sent the following telegram to Mr Jean Monnet :

On the occasion of your 90th birthday, I wish to express, on my own behalf and, I am sure, on behalf of all the Members of the European Parliament, not only my sincerest wishes for your excellent health but also the profound gratitude of all Europeans who are mindful of what you have contributed to the European cause and to democracy by the forcefulness of your ideas and your political activity, to which you have devoted such ardour and so much genius.

3. *Petitions*

**President.** — I have received

- from Mr Carroll and 696 other signatories, on behalf of the North Leigh Action Group for the Prevention of Radio-active Waste Dumping, a petition against radio-active waste at North Leigh dump- and
- from Mr Filippetti, Regional Secretary of the Fédération des Mineurs de fer de Lorraine (CGT), a petition on iron-ore deposits in Lorraine.

These petitions have been entered under Nos 19/78 and 20/78 respectively in the register provided for in Rule 48 (2) of the Rules of Procedure and, pursuant to paragraph 3 of that same rule, referred to the Committee on the Rules of Procedure and Petitions.

At its meeting of 18 October 1978, the Committee on the Rules of Procedure and Petitions considered petitions Nos 11 to 16 for 1978. Petition No 11/78 was filed without further action, since it did not fall within the sphere of activities of the Communities. All the others were found admissible, and, at the committee's request, have been referred for an opinion to the appropriate committees as follows :

- No 12/78 to the Political Affairs Committee ;
- No 13/78 to the Committee on Social Affairs, Employment and Education ;
- No 14/78 to the Committee on the Environment, Public Health and Consumer Protection ;
- No 15/78 to the Political Affairs Committee ; and
- No 16/78 to the Committee on the Environment, Public Health and Consumer Protection.

4. *Release and transfer of appropriations*

**President.** — The Committee on Budgets has informed me that, at its meeting of 24 October 1978, it delivered a favourable opinion on

- the release of 160 000 EUA in Article 266 of Section III of the general budget of the Communities for 1978 ;
- the transfer of 300 000 EUA from Chapter 101 to Article 950 (Doc. 376/78), on which the Council has still to deliver an opinion ; and
- the transfer of 379 100 EUA from Chapter 100 to Item 9431 (Doc. 159/78).

Are there any comments ?

The release and transfer of these appropriations are authorized.

5. *Documents received*

**President.** — Since the adjournment of the session, I have received

(a) from the Council, requests for an opinion on :

- I. a draft decision amending decision 78/774/EEC concerning the activities of certain third countries in the field of cargo shipping, and
- II. a draft decision on the implementation of Article 2 of Decision 78/774/EEC concerning the activities of certain third countries in the field of cargo shipping (Doc. 407/78),

which has been referred to the Committee on Regional Policy, Regional Planning and Transport as the committee responsible and to the Committee on External Economic Relations for its opinion ;

- a proposal from the Commission to the Council for a decision adopting the annual report on the economic situation in the Community and laying down the economic policy guidelines for 1979 (Doc. 427/78),

which has been referred to the Committee on Economic and Monetary Affairs ;

- a proposal from the Commission to the Council for a regulation on the implementation in the solar-energy sector of Council Regulation (EEC) No 1302/78 concerning the granting of financial support for projects to exploit alternative energy sources (Doc. 433/78),

which has been referred to the Committee on Energy and Research as the committee responsible and to the Committee on Budgets for its opinion ;

- a letter from the Council on the Council recommendation concerning the discharge to be given to the Commission in respect of the implementation of the operations of the European Development Fund (1975) (4th EDF) for the financial year 1976 (Doc. 435/78),



**President**

which has been referred to the Committee on Budgets as the committee responsible and to the Committee on Development and Cooperation for its opinion ;

- a proposal from the Commission to the Council for a regulation establishing a European Monetary System (Doc. 436/78),

which has been referred to the Committee on Economic and Monetary Affairs ;

- proposals from the Commission to the Council for
  - I. a regulation amending for the second time Regulation (EEC) No 1162/76 on measures designed to adjust wine-growing potential to market requirements, and
  - II. a regulation laying down measures to adjust wine-growing potential to market requirements in certain Community regions and amending Regulation (EEC) No 1163/76

(Doc. 439/78),

which has been referred to the Committee on Agriculture ;

(b) from the committees, the following reports :

- a report by Mrs Cassanmagnago Cerretti, on behalf of the Committee on the Environment, Public Health and Consumer Protection, on the proposal from the Commission to the Council for a decision reviewing the second multiannual research and development programme for the European Economic Community in the environmental field (indirect action) adopted by Decision 76/311/EEC (Doc. 409/78) ;
- a report by Mr Power, on behalf of the Committee on Social Affairs, Employment and Education, on the problems of education in the European Community (Doc. 410/78) ;
- a report by Mr Veronesi, on behalf of the Committee on Energy and Research, on the proposal from the Commission to the Council for a decision adopting a programme of research for the EAEC on safety in thermal water reactors (indirect nuclear action) (Doc. 411/78) ;
- a report by Mr Howell, on behalf of the Committee on Agriculture, on the proposal from the Commission to the Council for a regulation providing for an aid for degerming maize (Doc. 412/78) ;
- a report by Mr Lezzi, on behalf of the Committee on Development and Cooperation, on the communication from the Commission to the Council on the procedures for the management of food aid (Doc. 414/78) (This document replaces doc. 320/78) ;
- a report by Mr Nyborg, on behalf of the Committee on Economic and Monetary Affairs, on the proposals from the Commission to the Council for
  - I. a directive on the approximation of the laws of the Member States relating to the roll-over protection structures of wheeled agricultural or forestry tractors (static testing), and
  - II. a directive on the approximation of the laws of Member States relating to the
    - towing hooks
    - reverse

on wheeled agricultural or forestry tractors

(Doc. 424/78) ;

- a report by Mr Damseaux, on behalf of the Committee on Regional Policy, Regional Planning and Transport, on the proposal from the Commission to the Council for a directive amending Directive 75/130/EEC on the establishment of common rules for certain types of combined road-and-rail carriage of goods between Member States (Doc. 425/78) ;
- an interim report by Mr Jung, on behalf of the Committee on Regional Policy, Regional Planning and Transport, on the proposals from the Commission to the Council for
  - I. a draft decision amending Decision 78/774/EEC concerning the activities of certain third countries in the field of Cargo shipping, and
  - II. a draft decision on the implementation of Article 2 of Decision 78/774/EEC concerning the activities of certain third countries in the field of cargo shipping

(Doc. 429/73) ;

- a report by Mr Berkhouwer, on behalf of the Political Affairs Committee, on the situation of the Jewish community in the Soviet Union (Doc. 430/78) ;
- a report by Mr Albertini, on behalf of the Committee on Agriculture, on the proposal from the Commission to the Council for a regulation on trade in oils and fats between the Community and Greece (Doc. 432/78) ;
- a report by Mr Stetter, on behalf of the Committee on Economic and Monetary Affairs, on the proposal from the Commission to the Council for a decision adopting the annual report on the economic situation in the Community and laying down the economic policy guidelines for 1979 (Doc. 434/78) ;
- a report by Lord Ardwick, on behalf of the Committee on Economic and Monetary Affairs, on the revival of economic and monetary union (Doc. 437/78) ;
- a report by Mr Spicer, on behalf of the Committee on External Economic Relations, on the proposals from the Commission to the Council for
  - I. a regulation opening, allocating and providing for the administration of a Community tariff quota for wines of fresh grapes falling within subheading ex 22.05 C of the Common Customs Tariff, originating in Cyprus (1979), and
  - II. a regulation opening, allocating and providing for the administration of a Community tariff quota for liqueur-wines falling within subheading 22.05 C of the Common Customs Tariff, originating in Cyprus (1979)

(Doc. 438/78) ;

- a report by Mr Klinker, on behalf of the Committee on Agriculture, on certain inspection procedures governing fishing activities and surveillance procedures governing other activities affecting the common system for the conservation and management of fishing resources (Doc. 441/78) ;

**President**

- a report by Mr Klinker, on behalf of the Committee on Agriculture, on the equipment manufactured in the Community which can be used for the inspection of fishing activities in Community waters and the surveillance of other activities affecting the common system for the conservation and management of fishing resources (Doc. 442/78);

**(c) the following oral questions :**

- oral question, with debate, by the Committee on External Economic Relations to the Commission, on the development of trade and cooperation between the Community and the State of Israel (Doc. 416/78);
- oral question, with debate, by the Committee on External Economic Relations to the Council, on the development of trade and cooperation between the Community and the State of Israel (Doc. 417/78);
- oral question, with debate, by Mr Fuchs, Mr Brugger, Mr Alber, Mr Schyns and Mr Noè to the Commission, on flight safety in the framework of the common transport policy (Doc. 418/78);
- oral question, with debate, by Mr Fuchs, Mr Brugger, Mr Alber, Mr Schyns and Mr Noè to the Council, on flight safety in the framework of the common transport policy (Doc. 419/78);
- oral question, with debate, by Mr Willi Müller, Mrs Krouwel-Vlam, Lord Kennet, Mr Lamberts and Mr Ajello to the Council, on the state of the Council's work on the protection of the environment (Doc. 420/78);
- oral question, without debate, by Mr van Aerssen to the Commission, on the Conference of Mediterranean States (Doc. 421/78);
- oral question, without debate, by Lord Kennet to the Commission on the consumption of tobacco (Doc. 422/78);
- oral question, with debate, by Sir Brandon Rhys Williams, Mr Berkhouwer, Mr Deschamps, Mr Kaspeireit, Mr Pisani, Mr Spinelli and Mr Stetter to the Commission on export earnings of copper producers (Doc. 423/78);
- oral questions by Mr Corrie, Lord Bessborough, Mr Normanton, Mr Herbert, Mr Edwards, Sir Geoffrey de Freitas, Mr Müller-Hermann, Mr van Aerssen, Mr Power, Mr Scott-Hopkins, Mr Patijn, Mr Calewaert, Mr Forni, Mr Soury, Mr Nyborg, Mr Brown, Sir Brandon Rhys Williams, Mrs Squarcialupi, Mr Dalyell, Lord Murray, Mr Kavanagh, Mr Osborn, Mr Dondelinger, Mr Ellis, Mr Hoffmann, Mr Ibrugger, Mr Shaw, Mr Brugha, Mr Halvgaard, Mr Howell, Lord Castle, Mr Fellermaier, Mr Prescott, Mr Albers, Mr L'Estrange, Mr Scott-Hopkins, Mr Howell, Mr Siegler-schmidt, Mr van Aerssen, Mr Dalyell, Mr Kavanagh, Mr L'Estrange, Mr De Clercq, Mr Schreiber, Sir Geoffrey de Freitas, Mr Normanton, Mr Fellermaier, Mr Prescott, Mr Dondelinger, Mrs Dunwoody and Mr Dalyell for Question-time on 14, 15 and 16 November 1978, pursuant to Rule 47A of the Rules of Procedure (Doc. 431/78);
- Oral question, with debate, by Mr Nyborg, on behalf of the Committee on Economic and Monetary Affairs to the Commission, on the new procedure for the elimination of technical barriers to trade (Doc. 445/78);

**(d) from the Commission :**

- on 27 October 1978
- a proposal for the transfer of appropriations between chapters in Section III: Commission, of the General Budget for the European Communities for the financial year 1978 (Doc. 426/78),

which has been referred to the Committee on Budgets;

**(e) from the EEC-Turkey Joint Parliamentary Committee :**

- a recommendation adopted in London on 27 October 1978 (Doc. 428/78);

**(f) from the EEC-Turkey Association Council the Thirteenth Annual Report on the activities of the EEC-Turkey Association Council (1 January to 31 December 1976) (Doc. 440/78),**

which has been referred to the EEC-Turkey Joint Parliamentary Committee.

**6. Texts of treaties forwarded by the Council**

**President.** — I have received from the Council certified true copies of the following documents :

- convention on the accession of the Kingdom of Denmark, Ireland and the United Kingdom of Great Britain and Northern Ireland to the convention on jurisdiction and the enforcement of judgments in civil and commercial matters and to the protocol on its interpretation by the Court of Justice;
- joint declaration;
- agreement in the form of an exchange of letters between the European Economic Community and the Republic of Tunisia concerning certain wines originating in Tunisia and entitled to a designation of origin;
- agreement in the form of an exchange of letters amending the agreement between the European Economic Community and the Swiss Confederation.

These documents will be deposited in the archives of the European Parliament.

**7. Authorization of reports**

**President.** — Pursuant to Rule 38 (1) of the Rules of Procedure, I have authorized the Committee on Development and Cooperation to draw up a report on the Community and the elaboration of a new international development strategy.

**8. Order of business**

**President.** — The next item is the order of business. At its meeting of 24 October 1978, the enlarged Bureau drew up the draft agenda which has been

**President**

distributed. In the meantime, I have received a number of requests for withdrawal, urgent debate, modification or inclusion, which I propose to announce in the order of the days to which they refer.

As regards today's agenda, I have received three requests for urgent debate. First, there is the Commission's request for urgent debate on its proposals concerning the market in wine: these were the subject of a report by Mr Pisoni, which is down for Thursday as No 281 but has not been adopted by the Committee on Agriculture. In its letter of 24 October 1978, the Commission expresses the view that, if the Council is to take a rapid decision on the matter, it is essential that the European Parliament deliver an opinion during the November part-session.

The second request for urgent debate comes from the Council and concerns the wine-growing potential, on which the Committee on Agriculture is expected to adopt another report by Mr Pisoni tomorrow. In its telex of 7 November 1978, the Council considers that this request is justified by the need to prolong the ban on new vine plantings before 1 December 1978.

The third request for urgent debate comes from the Christian-Democratic Group (EPP) and concerns a motion for a resolution on the results of the tripartite Conference. According to the Christian-Democratic Group, it is politically very desirable that we register a reaction to the results of this Conference as soon as possible.

I remind the House that, pursuant to the new procedural rules in force since the adoption of the Yeats report, any request for urgent debate must be submitted in writing and accompanied by an explanatory statement. For the information of Members, the text of such statements is to be annexed to the minutes of the sitting during which the requests for urgent debate were announced.

Pursuant to the Rules of Procedure, Parliament will decide on these requests for urgent debate at the beginning of tomorrow's sitting.

I call Mr Natali.

**Mr Natali, Vice-President of the Commission.** — (I) Mr President, you mentioned the Commission's appeal to Rule 14 of your Rules of Procedure for a debate by urgent procedure during this part-session on the important wine proposals which the Assembly has been asked to consider. I wish to speak of the issues listed under Item 281 on the agenda, since the vote on the request for urgent debate will be taken tomorrow morning.

I should like to point out that the European Parliament will be taking on a serious responsibility of it defers to a later part-session the report by Mr Pisoni on this issue, which the Commission considers to be of vital importance. The wine policy discussed in it is

not only important in itself but is linked up with a serious of other issues such as the agricultural policy and the enlargement of the Community.

The Commission forwarded the main part of its proposals to the European Parliament on 4 August and the Council consulted your institution at the end of August. The final part of the proposals which the Commission forwarded on 7 September is merely a supplement to the main part. The Council of Ministers of Agriculture has already met to consider the Commission's wine proposals and it was agreed that the European Parliament would deliver its opinion during this part-session. Your Assembly must remember that a delay in forwarding its opinion will hold up the Council's work, since the last Council of Ministers of Agriculture for this year is to be held on 11 and 12 December, when Parliament will also be holding its next part-session. If the Council cannot proceed with its work concerning the agricultural sector and the Mediterranean region during its November meeting, there is a serious risk that during the December meeting important internal and external decisions will be blocked, with inevitable repercussions for Community interests.

I must also point out that the Commission has adopted its position on this issue in agreement with the President of the Council, which fully supports our point of view.

**President.** — I call Mr Hughes.

**Mr Hughes.** — Mr President, in the absence of the chairman of the Committee on Agriculture, I have, as vice-chairman, been asked to give the views of that committee as to why we should, with great reluctance, reject the request for urgent debate on the recent proposals concerning the delimitation of areas. That is the second request which you have put to this Parliament for urgent debate. I live in hopes that at its meeting specially convened for tomorrow evening the Committee on Agriculture will be able to deal with this matter and come back with an agreed position on it. But on the principal problem I would draw your, and the House's attention, Mr President, to certain problems of time-tabling. In the Minutes of its meeting of 8-12 May, the Council noted that the Commission proposals contained in our Doc. 402/76 were withdrawn, except Article 6 of the proposal amending Regulation (EEC) 816/70. Now this Parliament, in the light of that, took very careful pains to see that Article 6 of those proposals went through. We did not attempt to delay on that matter. The Council of Ministers in fact consulted the European Parliament, on the best advice I have, on 24 September on a further four proposals in the wine sector. To say that on all these proposals we were consulted in August is somewhat to distort the time-table.

## Hughes

In the letters, the Council and the Commission asked the European Parliament at that time to give its opinion on these proposals as quickly as possible. At that stage they were not demanding the full rigours of urgent procedure. As late as 20 October, the Council had not yet moved to the request that there should be 'urgency'. It was only on that date that they requested the application of Rule 14. I accept fully on behalf of this Parliament and the Committee on Agriculture that, given the complexity and the sensitivity of these proposals, there were difficulties in this Parliament in determining whether they were new proposals that required appointment of a new rapporteur for the Committee on Agriculture, or were modifications. I do not believe that it is in the interests of the Parliament to deny that certain delay occurred consequent upon that difficulty presented to this Parliament. At all events, it was not until 30 October that the Committee on Agriculture and this Parliament were able to confirm a rapporteur, Mr Pisoni, for these seven very difficult, very complex and contentious proposals.

I suspect I am alone in this House in having now seen, in one language — to wit, Italian — the Pisoni report: thirty-six points in a motion for a resolution which, I would suspect, with the best will in the world, are likely to be the cause of a number of amendments, if not a lot of debate. At the last meeting of the Committee on Agriculture, when I was in the chair, I asked that amendments to this report should be tabled by 13 November, and that is still some days off. Only on the evening of 7 November, after members of the Secretariat of the Committee on Agriculture had made a special journey to Rome to conclude arrangements with Mr Pisoni, was this report prepared. On that basis, the Committee on Agriculture has it on its agenda for a special meeting tomorrow evening, along with those other rather more technical items that we have already indicated we hope to expedite. At the meeting of the Council of Ministers last week, it was clearly indicated that the expectation was that no agreement on the wine proposals was likely in the immediate future. Far from the meeting of the Agricultural Council taking place prior to the December part-session, at which these would be considered, it is likely to take place after the part-session in December. And however inconvenient it may be for Commission and Council for them to be re-taken at a Council meeting in the week starting Monday, 18 December, that now appears, on the best advice I am provided with, to be the probable situation.

I then turn to the Economic and Social Committee, which I assume both Council and Commission treat with some respect in this Community. This has also been urgently asked for an opinion, and has indicated that it is unable to provide one before the end of January. I therefore humbly, as vice-chairman of the Committee on Agriculture, indicate very solemnly to

this House that there is no way the Committee on Agriculture can come to a soundly-based opinion to place before this House during this part-session.

Under Rule 14 (4) it is possible for an urgent debate to be held without a report, or on the basis of an oral report by the appropriate committee. I cannot, Mr President, indicate with any confidence that that paragraph of Rule 14 might be applied on this occasion. Therefore with great reluctance I must ask this House tomorrow morning, when we come to vote on these procedures, on the clear understanding that the very best endeavours of the Committee on Agriculture will be used to bring it to the agenda for the December part-session, to indicate quite clearly its rejection of urgent procedure. I do not know what the arm-raising may be in the further corner of the Chamber, but under no circumstances can I suggest that the Committee on Agriculture will be in a position to bring this report before the House during this part-session. If it is the will of the House that it be done under Rule 14 (4), so be it, but it must be against the most urgent advice of the Committee on Agriculture.

**President.** — With regard to tomorrow's agenda, I have to tell you that the Cointat report on the discharge for 1976 (No 216 in the draft agenda) has been withdrawn. Since Mr Davignon cannot be present to deliver the Commission's statement on the situation in the iron-and-steel sector until the afternoon, there is the question how to fill the gap caused by the withdrawal of the Cointat report. I propose that we place the report by Mr Berkhouver, on behalf of the Political Affairs Committee, on the Jewish community in the Soviet Union and the oral question by Mr Nyborg, on behalf of the Committee on Economic and Monetary Affairs, on technical barriers to trade — this latter at the request of the Group of European Progressive Democrats — on tomorrow's agenda immediately after the Veronesi report. Further, at the Commission's request, we could insert a statement by Mr Vredeling on the Tripartite Conference after the oral question on supplies of ore (No 206 in the draft agenda).

Are there any objections?

That is agreed.

No changes are proposed for Wednesday.

As regards Thursday, the Cifarelli report on a fishing agreement between Spain and the EEC, the Joze report on the EAGGF and the Pisoni report on the market in wine have been withdrawn. On the other hand, the debate on economic and monetary policy down in the draft agenda as Nos 278-280, will have to be held in the afternoon in order to enable the Council to attend. I therefore propose that we place on the agenda for that morning the Jung report on sea transport (Doc. 429/78), in response to a request from the Committee on Regional Policy, Regional Planning and Transport, the Liogier report on tinned

**President**

pineapples (Doc. 352/78) and the Inchauspé report on temporary importation arrangements (Doc. 405/78) — these two, at present down for Friday, at the request of the Group of European Progressive Democrats — and the Albertini report, without debate, on trade in oils and fats between the Community and Greece (Doc. 432/78), also originally down for Friday. Finally, if the adoption of urgent procedure is agreed, we could insert, after the debate on economic and monetary policy, the Pisoni report which the Committee on Agriculture is expected to adopt tomorrow on the wine-growing potential.

Are there any comments?

I call Mr Dankert.

**Mr Dankert.** — (NL) Mr President, I had heard earlier — and you have now confirmed it — that there were difficulties in finding an alternative to Thursday afternoon for the consideration of items 278, 279 and 280. It is, I believe, equally difficult for a large number of Members of this House to be present for the end of the debate because of the difficulties of connections between Strasbourg and their own countries. To me, this is the most important debate of the whole week, and for many people it is a controversial issue. I would therefore ask you to make one final appeal to the Council to be present so that we can hold this debate on Thursday morning given the deletions from the agenda, I think that would be possible — or, if it is not possible, at any rate to be here so that we can begin the debate towards the end of the morning and wind it up during the afternoon.

*(Applause from certain quarters)*

**President.** — Mr Dankert, the enlarged Bureau, too, would have preferred at first sight to hold the debate during the morning; but it seems very inadvisable to begin it in the Council's absence, and, if my information is correct, the Council cannot attend on Thursday morning.

I call Lord Bruce.

**Lord Bruce of Donington.** — Mr President, with regard to the joint debate scheduled for Thursday the 16th (items Nos 278, 279 and 280), No 280 is a very important report by Mr Stetter on behalf of the Committee on Economic and Monetary Affairs on the proposal from the Commission for a decision adopting the annual report on the economic situation in the Community and laying down the economic policy guidelines for 1979. However, this document, No 434/78, is not yet available to Members of this House, and I don't see how there is an opportunity for even the most zealous Member to acquaint himself in the time which is available with the proposals contained in this report or the arguments relating to them. I should welcome your guidance as to whether

in these circumstances it would be proper for Parliament to consider item No 280.

**President.** — This document will probably be distributed tomorrow morning, i.e. well within the official time-limit. I call Mr Cunningham.

**Mr Cunningham.** — Mr President, I want to return to the matter of the timing of the debate on economic and monetary union on Thursday. What we have been told is that it is just not possible for the representatives of the Council to be present for the debate, and obviously it is desirable that the Council should be present for the debate. Now, I for one would like to have some additional explanation formally given to Parliament as to why it is impossible for a representative of the Council to be present. This subject is of enormous importance, and not only are we going to have the debate at a time on Thursday which is inconvenient, but we are actually going to have a vote on this matter on Friday. Now there is absolutely no point in having the vote on Friday, because the vote will not reflect the real position. Very few votes do this, but on a Friday morning in particular no significance can be attached to the result of the vote, and the numbers participating in it will be extremely small. I would just ask that whatever the problems for the Council in being present for this particular discussion, it should not be the Parliament that inconveniences itself but the Council. It is up to the Council to be present when a matter of this degree of importance is being taken. Now, of course, the two sides have to accommodate each other: we cannot be always upsetting their timetable; neither, however, do I think that the Council can be permitted simply to say that they are not able to be present earlier on the Thursday, thus making a farce of the discussion of the matter in Parliament and of the vote, which will now take place at a time when very few people will vote one way or the other on the matter.

**President.** — So far from wishing to slight the Parliament, the President-in-Office of the Council asked the President of Parliament right from the beginning to consider such an arrangement, since that very morning he was due to have an important meeting on these very questions with representatives of the Federal German Republic. The enlarged Bureau took the view that the Council's presence during this debate was sufficiently important to warrant accepting the inconvenience of not being able to begin it until the afternoon.

As regards the voting on Friday, Mr Hughes will be able to tell you that on a Friday morning when the vote was being taken on a report of his on which over 40 amendments had been tabled, some 60 Members were in attendance in the Chamber.

I call Mrs Dunwoody.

**Mrs Dunwoody.** — Mr President, I would like to ask you to reconsider. After all, although it would be infinitely preferable to have the Minister himself present, it is not unknown in parliaments for Ministers to need to be in two places at the same time. In these circumstances the normal procedure is that representatives of the Council take detailed notes of the speeches that are made and pass the information on to the Minister. That is a perfectly normal parliamentary procedure. In fact, with the greatest respect to you, Mr President, although on occasions there may be a fantastic turn-out of Members of Parliament on a Friday, I have to tell you that that is very much the exception. Indeed, on occasions those Members of Parliament who are here — and forgive me for saying so — are almost entirely of one nationality, namely, mine.

*(Laughter)*

**President.** — A glance at the attendance lists for the most recent period, at any rate, might well tend to belie your point of view, Mrs Dunwoody.

I call Mr Aigner.

**Mr Aigner.** — *(D)* Mr President, I think both viewpoints must be accepted, for they are both right. We must see if we cannot reach a compromise. I think a vote on Friday on such an important issue, one of the most important, is out of the question. We know how it is with regard to travel arrangements, the weather, the risk of fog, etc. Would it not be possible to vote on Thursday evening? This would more or less guarantee that there are enough Members present. Surely this should be possible just for once?

**President.** — I call Mrs Ewing.

**Mrs Ewing.** — Mr President, I would like to support Mrs Dunwoody on the point she made, and also the last speaker, because there was a case of a Friday vote not so long ago when there was no quorum and when, as a person interested in procedure, I raised the matter, I was told it took ten to raise the matter of a quorum and there were not ten there. So on a Friday, one could have the situation that a non-quorate vote could pass a resolution for this Parliament. Obviously something is wrong with the Rules of Procedure, but the fact remains that I would like to support the last speaker in saying that there cannot be any vote on a Friday on such an important issue without raising the risk that this Parliament will make a fool of itself. If there is to be a vote, it must be on Thursday. And it is rather deplorable that a Minister should be absent on such an important vote.

**President.** — Ladies and gentlemen, according to the latest provisions of the Rules of Procedure, any request for a change in the agenda must be submitted in writing and accompanied by an explanatory statement before the beginning of the part-session in ques-

tion. I can, therefore, but note your observations and, perhaps, ask the enlarged Bureau, when it meets on Thursday morning, to reconsider the question of voting-time.

I call Lord Castle.

**Lord Castle.** — I am afraid, Mr President, that mine too is a request not to change the agenda, but to rearrange it slightly — and that is to advance Question No 31 to a place where it is likely to be answered by the Commission. And in doing this, a little bird has whispered to me that the Commission itself would be only too glad if No 31 came on its agenda earlier so that the Commission could answer it. At the position of No 31, it will not be answered. Now what is it that will not be answered? The question of the future trade of the whole Community with the United States, which has been placed in peril by a decision of the Congress — the one unreformed by the recent election — in which the provision of waiver granted to the President is not accepted by the Congress. That ends on 31 December. Unless some special, emergency provision is made, which we should like to hear about, then a great deal of the trade and commercial relations between this Community and the United States will be in peril. I believe that the Commission itself, which is in negotiation with the United States on this matter, would be only too glad to tell Parliament what it can expect, because this is to do with the provisions for international trade which are to supersede those provided for by the GATT arrangement. Negotiations on it have gone on for several years. A great deal of attention has been paid to it by the Commission and by Parliament, and it would be absurd for it to be placed at risk by a rather wrong-headed Congress.

So, Sir, we must know as soon as we can, certainly before the date when the present provisions go into abeyance, what the chances are of getting the Commission's negotiations restarted and obviating the necessity for the United States to enforce their countervailing duties on us. I would be glad if you yourself and the enlarged Bureau would take note of this and do your best to advance this question. I do that, not because of vainglory on my part, but because originally there was an oral question with debate submitted to the enlarged Bureau.

I was in the chair of the Committee on External Economic Relations at that time, and it was tabled on behalf of that committee — not a committee to be sneered at. It was put in as soon as the fact of Congress's anti-European action, as it seemed to us then, was published. For its own reasons, the enlarged Bureau decided that this was not the opportune moment to have an oral question with debate, and we were persuaded that it would be better served if we had two questions in the names of individuals. That was arranged, and I hoped, of course, that that would satisfy us. But, on the contrary, to put it down at

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number 31, never to be reached, seemed to me and to my colleagues on that committee to be contemptuous, rather, of the powers and duties of the Committee on External Economic Relations.

**President.** — Since the document relating to Question-time has already been printed and distributed, it would be difficult to change the order of questions. It would probably be simpler for the enlarged Bureau to consider the possibility of converting the question with which you are concerned into an oral question with debate.

I call Lord Castle.

**Lord Castle.** — Mr President, that suggestion has been made by me as the acting chairman in a letter to the President. If it can be done, of course we shall all welcome it; but if not, I think there is only one course open to me — I hate to suggest that it is even a possibility — and that is to move that it be taken as an emergency question: it is of such gravity and of such global importance that I think it could rank as an emergency question.

**President.** — Are there any further comments on the agenda for Thursday?

I call Lord Bruce.

**Lord Bruce of Donington.** — Mr President, again relative to this important series of items we are going to discuss on Thursday, it has come to my attention that there is a document in existence, a report of the Economic Policy Committee, representing the nine Member States as well as the Commission, which contains some statistics of the utmost gravity, particularly, if I may say so, to the United Kingdom, and reports have today appeared in responsible sections of the British press, notably *The Guardian* and *The Times*, which made very large reference to this. The figures and the conclusions arrived at in this report, if the press versions of it are true, are of vital importance if we are to discuss intelligently the matters relating to economic and monetary union and also to the EMS. Therefore, Mr President, through you, I would like to ask the Commission whether they will make copies of this report available to Members as a matter of the utmost urgency, because all groups and all Members of Parliament need to be aware of its implications, which are startling and in many ways horrifying, before they come to consider these important questions.

**President.** — The Commission document has just reached us, and the only possible obstacles in the way of its transmission to Members now are minor hitches of a technical nature.

As regards Friday's agenda, you will recall that the Albertini Liogier and Inchauspé reports have been

moved forward to Thursday. Apart from that, since the Committee on Agriculture has not adopted the opinion on the report by Lord Kennet on the suspension of duties on certain types of fish, I urge this committee to draw up an opinion during its meeting tomorrow and present it, whether in writing or orally, on Friday.

The order of business would therefore be as follows:

*This afternoon:*

- Procedure without report
- Commission statement on action taken on the opinions of Parliament
- Lezzi report on the procedures for the management of food aid
- De Clercq interim report on the economic and trade relations between the EEC and Yugoslavia
- Oral question, with debate, to the Commission on copper

6.15 p.m.:

Suspension of sitting

6.30 p.m.:

Ceremonial sitting on the occasion of the visit to the European Parliament of Mr Eanes, President of the Republic of Portugal.

*Tuesday, 14 November*

10 a.m. and afternoon:

- Veronesi report on thermal water reactors
- Berkhouver report on the Jewish community in the Soviet Union
- Oral question with debate to the Commission on technical barriers to trade
- Commission statement on the situation in the iron and steel sector
- Oral question with debate to the Commission on ore supplies
- Commission statement on the Tripartite Conference
- Ney report on medical research and public health
- Squarcialupi report on the protection of groundwater
- Cassanmagnago Cerretti report on research and development in the environmental field

3 p.m.:

— Question Time (questions to the Commission)

3.45 p.m.:

— Voting-time

*Wednesday, 15 November*

10 a.m. and afternoon:

- Statement by the President-in-Office of the Foreign Ministers meeting in political cooperation (followed by debate)
- Oral questions with debate to the Commission and Council on trade between the Community and Israel
- Oral questions with debate to the Commission and council on flight safety

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- Oral question with debate to the Council on Council work on the environment
  - Power report on education in the Community
- (two oral questions to the Commission and Council on Community action in the educational sector would be included in the debate)
- Amadei interim report on Community action in the cultural sector

3 p.m.:

**Question Time (questions to the Council and the Foreign Ministers)**

4.30 p.m.:

- Voting-time

Thursday, 16 November

9.30 a.m. and afternoon:

- Jung report on sea transport
- Liogier report on tinned pineapple
- Inchauspé report on temporary importation arrangements
- Albertini report on trade in oils and fats between the Community and Greece (without debate)
- Howell report on an aid for degerming maize
- joint debate on the Ardwick report, possible a report by the Committee on Economic and Monetary Affairs and the Stetter report on economic and monetary policy
- possibly, Pisoni report on wine-growing potential

3 p.m.:

- Question Time (questions to the Commission)

3.45 p.m.:

- Voting-time

Friday, 17 November

9 a.m.:

- Procedure without report
- Vote on the motions for resolutions contained in the reports on economic and monetary policy
- possibly, continuation of Thursday's agenda
- Spicer report on Cyprus wines
- Kennet report on certain types of fish
- Oral question without debate to the Commission on the Conference of Mediterranean states
- Oral question without debate to the Commission on tobacco consumption
- Danseaux report on combined rail/road transport (without debate)
- Nyborg report on agricultural tractors (without debate)
- Nyborg report on postal charges on consignments presented to customs (without debate)

End of sitting

- Voting-time

Are there any objections?

The order of business is therefore agreed.

### 9. Limitation of speaking-time

**President.** — For the joint debate on economic and monetary policy, speaking-time is allocated as follows pursuant to Rule 28 of the Rules of Procedure:

Commission and Council:	60 minutes in all
Rapporteurs and draftsmen of opinions:	60 minutes in all
Socialist Group:	34 minutes
Christian-Democratic Group (EPP):	28 minutes
Liberal and Democratic Group:	15 minutes
European Conservative Group:	13 minutes
Communist and Allies Group:	13 minutes
Group of European Progressive Democrats:	12 minutes
Non-attached Members:	5 minutes

I propose that Parliament limit, as usual, speaking-time on all other reports and motions for resolutions on the agenda as follows:

- 15 minutes for the rapporteur and one speaker on behalf of each group; and
- 10 minutes for other speakers.

Are there any comments?

That is agreed.

### 10. Procedure without report

**President.** — Pursuant to Rule 27A (5) of the Rules of Procedure, the following Commission proposals have been placed on the agenda for this sitting for consideration without report:

- proposal to the Council for a regulation on the importation free of Common Customs Tariff duties of materials for the use of the blind and other handicapped persons (Doc. 263/78),

which has been referred to the Committee on External Economic Relations as the committee responsible and to the Committee on Social Affairs, Employment and Education for its opinion;

- proposal to the Council for a regulation amending Regulation (EEC) No 1798/75 on the importation free of Common Customs Tariff duties of educational, scientific and cultural materials (Doc. 264/78),

which has been referred to the Committee on External Economic Relations as the committee responsible and to the Committee on Social Affairs, Employment and Education for its opinion;

- proposal to the Council for a regulation amending Regulation (EEC) No 1108/70 introducing an



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accounting system for expenditure on infrastructure in respect of transport by rail, road and inland waterway (Doc. 268/78),

which has been referred to the Committee on Regional Policy, Regional Planning and Transport ;

— proposals to the Council for

I. a directive on the indication by labelling of the energy consumption of domestic appliances, and

II. a directive applying to electric ovens the Council Directive on the indication by labelling of the energy consumption of domestic appliances

(Doc. 274/78).

which has been referred to the Committee on Energy and Research as the committee responsible and to the Committee on Economic and Monetary Affairs and the Committee on the Environment, Public Health and Consumer Protection for their opinions ;

— proposal to the Council for a directive amending Directive 64/433/EEC on health problems affecting intra-Community trade in fresh meat (Doc. 323/78),

which has been referred to the Committee on the Environment, Public Health and Consumer Protection as the committee responsible and to the Committee on Agriculture for its opinion ;

— proposal to the Council for a regulation opening, allocating and providing for the administration of a Community tariff quota for wines from fresh grapes and grape must with fermentation arrested by the addition of alcohol falling within heading No 22.05 of the Common Customs Tariff, originating entirely in Greece (Doc. 328/78),

which has been referred to the Committee on External Economic Relations as the committee responsible and to the Committee on Agriculture and the Committee on Budgets for their opinions ;

— proposal to the Council for a regulation on the total or partial suspension of Common Customs Tariff duties on certain agricultural products originating in Turkey (1979) (Doc. 329/78),

which has been referred to the Committee on External Economic Relations as the committee responsible and to the Committee on Agriculture and the Committee on Budgets for their opinions ;

— proposal to the Council for a regulation on the opening, allocation and administration of a Community tariff quota for frozen beef and veal falling within subheading No 02.01 A II (b) of the Common Customs Tariff (1979) (Doc. 330/78),

which has been referred to the Committee on Agriculture as the committee responsible and to the Committee on External Economic Relations and the Committee on Budgets for their opinions ;

— proposal to the Council for a decision amending Decision 77/186/EEC on the exporting of crude oil and petroleum products from one Member State to another in the event of supply difficulties (Doc. 332/78),

which has been referred to the Committee on Energy and Research as the committee responsible and to the Committee on Economic and Monetary Affairs for its opinion ;

— proposal to the Council for a decision concerning the acceptance by the Community of Resolution No 119 (revised) of the Economic Commission for Europe on the standardization of the forms used for authorizations for international goods transport by road (Doc. 356/78),

which has been referred to the Committee on Regional Policy, Regional Planning and Transport ;

— proposals to the Council for

I. a regulation amending Regulations (EEC) Nos 1508/76, 1514/76 and 1521/76 on imports of olive oil originating in Tunisia, Algeria and Morocco (1978/79), and

II. a regulation amending Article 9 of Regulation No 1180/77 on imports into the Community of certain agricultural products originating in Turkey (1978-79) (Doc. 384/78),

which has been referred to the Committee on External Economic Relations as the committee responsible and to the Committee on Agriculture and the Committee on Development and Cooperation for their opinions ;

— proposals to the Council concerning regulations on consolidated texts relating to the wine sector (Doc. 389/78),

which have been referred to the Legal Affairs Committee ;

— proposal to the Council for a regulation suspending application of the condition to which the importation into the Community of certain types of citrus fruit originating in Spain is subject by virtue of the agreement between the Community and that country (Doc. 397/78),

which have been referred to the Committee on External Economic Relations as the committee responsible and to the Committee on Agriculture and the Committee on Budgets for their opinions.

Unless any Member asks leave to speak on these proposals or amendments are tabled to them before the opening of the sitting on Friday, 17 November 1978, I shall, at that sitting, declare these proposals to be approved by the Parliament pursuant to Rule 27A (6) of the Rules of Procedure.

# 11. *Budget of the European Communities for 1979*

**President.** — I call Mr Spinelli on a point of order.

**Mr Spinelli.** — (I) Mr President, allow me to say just a few words concerning the minutes approved at the end of the sitting of Wednesday, 25 October.

**Spinelli**

I wish to congratulate the staff who drew up the complex minutes of the debates and the voting of that sitting in such a short time, and I should like to ask you, Mr President, to confirm that, in fact, the amendment proposed by myself and others — No 78/rev., concerning the comment on Titles 6 and 7 — was adopted with 56 votes for, 50 against, and one abstention, and that this was conveyed to the Council.

**President.** — Thank you, Mr Spinelli, for your words of appreciation regarding the work of the Parliament's services. I can assure you that the results of all the votes on the budget were carefully checked before being published in the report of proceedings and the minutes.

*12. Action taken by the Commission on the opinions of Parliament*

**President.** — The Commission's statement on the action taken by it on the opinions delivered by Parliament at its sittings of 9-13 October 1978 has been distributed.<sup>1</sup>

I note that no one wishes to speak on this item.

*13. Communication on the procedures for food-aid management*

**President.** — The next item is the report by Mr Lezzi (Doc. 414/78), on behalf of the Committee on Development and Cooperation, on

the communication from the Commission to the Council on the procedures for the management of food-aid.

I call Mr Lezzi.

**Mr Lezzi, rapporteur.** — (I) Mr President, Mr Commissioner, colleagues, the Committee on Development and Cooperation welcomes the Commission's proposals to improve the management and speed up the supply of food aid through major amendments to the decision-making and implementing procedures relating to food aid and thus avoid delays and their adverse effects on the recipient countries. The amendments also have a legal basis in the Treaty, especially Article 205, under which the Commission is responsible for the implementation of the budget within the limits of the appropriations.

The need for rapid and efficient implementing procedures whereby responsibility within the Community for implementing the agreements on food aid would be shared by Council and Commission was pointed out in 1974 in the Commission's Memorandum of the Community's food-aid policy and again, in 1977, in

the Commission's proposal for a regulation on financial and technical aid to non-associated developing countries. The European Parliament, and in particular the Committee on Development and Cooperation and the Committee on Budgets, had been requesting action along these lines. Special credit is due to Mr Seefeld, Mr Aigner, Mr Broeksz and Mr Vredeling as rapporteurs and to other colleagues who put forward their views with such conviction in the debates over the years. Parliament and the committees concerned have repeatedly criticized the delays in supplying food aid caused by the management procedure, and have expressed the view that the Community's food aid should be handled as flexibly and unbureaucratically as possible. Parliament does, however, acknowledge that the Commission has made efforts to improve the food-aid programmes from year to year by submitting its proposals earlier and taking steps to reduce delays. Parliament welcomed the fact that the Commission not only grouped, for the first time, the three food-aid programmes for 1978 in a single communication but that they did so before the end of 1977.

In its food-aid policy, the Commission has been inspired by humanitarian aims; it has transcended market-policy considerations and easy solutions to fit in with the agricultural policy; for the most part, it has avoided making aid dependent on surpluses and it has ensured that food aid will not only not disturb new production but will actually further development projects in the recipient countries.

The European Parliament has on several occasions expressed the view that, when allocating food aid, the Commission should give preference to those developing countries whose programmes are aimed at improving agricultural structures in the long and medium-term.

Parliament has also supported the Commission's policy of granting aid to independent organizations instead of to governments in order to ensure that the aid is given directly to the most needy sections of the population.

According to the World Bank's report for 1978 the developing countries show, on the whole, a higher rate of development than the industrialized countries: this is the reverse of the situation up to the beginning of 1970.

For the past two years or so, they have been exporting more than they import. In 1977, the value of their exports increased by 14 %. The trade terms for their products have shown a slight improvement, estimated at 2 % in 1977; and they have reduced to 22 000 million dollars their current accounts deficit, which, in 1975, had reached the record figure of approximately 37 000 million dollars.

<sup>1</sup> See Annex 1.

## Lezzi

However, there is a reverse side to the coin: their debts, which in 1966 amounted to over 160 000 million dollars, continue to increase at a rate of 20 % per annum. Their inflation rate is still three times as high as the average rate for the industrialized countries. As for food, which is what directly concerns us now in this debate, production per person in these countries, with the exception of Asia, is lower than it was two years ago and in some cases, such as Africa, it is as much as 10 % lower than during the first half of the sixties. According to the report, eight hundred million people are living in a state of total poverty. A quarter of mankind has not enough to eat; hundreds of millions of men, women and children are lacking in the vitamins and proteins essential for survival; entire generations are in grave danger because adequate food supplies are not available for young children. Over 60 % of the farming population has to survive on a *per capita* annual income of less than 75 dollars. The rich countries consume at least half of the world's food supplies and there is often considerable waste. MacNamara, President of the World Bank, has expressed the hope that 'when the people of the United States realize that while they represent only 6 % of the world population, they consume approximately 35 % of the total world food supplies and that, calculating the percentage of economic aid in relation to the gross national product, they take only fourteenth place among the sixteen developed countries ... they will change their cynical and indifferent attitude.'

In her book *How the other half dies* (published in Italy a few months ago by Feltrinelli), Susan George says that this remark could have been addressed to other countries, such as the countries of Western Europe and Japan. All that can be said is that the mass media are doing very little to bring the citizens of the world to the degree of awareness hoped for by McNamara.

'Report '78' shows a living reality but in a complex, somewhat ambiguous way. While the export of manufactured products in one group of developing countries has risen, according to Sigmund Ginzberg in the magazine *Rinascita*, there continues to be an extremely serious and, indeed, worsening crisis in agriculture, which employs 85 % of the work force in the low-income countries and 50 % in the middle-income countries.

According to FAO, a food of 120 145 million tons, three times as high as in 1975, can be expected between now and 1990. The World Bank has increased its loans for agriculture (almost 9 000 million dollars for investments in 1978), but in its 'Report 78' it acknowledges that, at most, food production will increase by 13 million tons, thus covering scarcely a tenth of the expected deficit.

This shows, unfortunately, how little the developing countries have done — or have been able to do in recent years — to improve their agricultural structures and production.

As early as October 1976 — as everyone here is aware — during the annual meeting of the International Monetary Fund in Manila, MacNamara pointed out that during the previous ten years the poorest developing countries had invested a mere 3 % of their gross social product in agriculture and less than 18 % of their overall investments, on the principle that industrial development is more important than agriculture. By so doing, they failed to take account of the fact that reasonable, planned industrialization is impossible when the people are undernourished.

The Commission has stated that although food aid is important, it should only be subsidiary. This is why, as has already been pointed out, the Commission rightly gives preference in its allocation of food aid to those developing countries who are making the greatest effort to improve their agriculture.

The possibility of receiving food aid has led many developing countries, including the poorest one, to neglect their own agriculture. The majority of small farmers in the developing countries only produce what they need themselves and do not provide supplies for marketing.

It is therefore essential that the European Community should accord absolute priority in its development policy to the improvement of agriculture in the developing countries.

In view of the fact that between 70 % and 90 % of the population in these countries are living on the land, the rural areas are of vital importance in employment and development policy.

As Mr Aigner has said, the Community's 'Food Programme II' is a step in the right direction. This involves a kind of planned aid. Food aid is reduced but organized in such a way that it directly influences economic and social improvement in the recipient country. The project has several aims: the improvement of living conditions; increased productivity in rural areas; job creation; and alleviation of starvation. Under this project, the Community must continue to make its contribution, dividing its food aid into multi-annual programmes which will ensure regular, consistent supplies over a fixed period of time.

If the developing countries were to concentrate their efforts in the agricultural sector, the 2.5 % to 3.6 % or even 4 % annual increase in agricultural production in the developing countries which the World Food Conference, held in Rome in 1974, considered necessary to meet ever-increasing needs, would not be unrealistic.

## Lezzi

I am convinced that not only must the developing countries produce more food but this food must be distributed more equitably so that food supplies reach a greater number of people. I think many would share my view that the population explosion of recent years, which is expected to continue up to the early decades of the next century, when the population will have reached between 8 000 and 11 000 million people, **bad weather and a changing climate are not entirely** responsible for the serious food situation in certain parts of the world. Unless far-reaching land reforms are implemented, together with a restructuring and redistribution of supplies to those most in need, famine will still persist despite increased production in the Third World, because the produce will go to those who already have adequate supplies — namely, the developed countries or the rich countries of the Third World.

However, since the food situation continues to be serious in the majority of the developing countries, food aid must not only be continued but considerably increased, even if this sometimes has adverse effects by encouraging the recipient countries to reduce their efforts and leading to changes in eating habits and market disturbances.

Until such time as the developing countries have carried out sufficient improvements in the agricultural sector to ensure adequate food supplies, food aid to the Third World, particularly from the Community, will have to be considerably increased.

At the Wheat Conference which was organized in Geneva by UNCTAD in April 1978, the United States' representative stated that America was going to double its food aid in wheat and other cereals and he hoped that other countries, for their part, would increase their aid so that the target of 10 million tons per annum of food aid to the developing countries consisting mainly of basic food stuffs, could be reached.

The Community has been providing food aid since 1968 and is undoubtedly in a position to increase its deliveries since it not only has considerable experience in this sector but is also a leading world producer. The Community's 1978 food programme is based on the following supplies: 720 000 tons of cereals; 150 000 tons of powdered milk and 45 000 tons of butter oil. It is regrettable that the quantities provided for 1978 do not show any great increase on the previous year, particularly since the aid requested of the Community far exceeds what it is actually supplying. Much more could be done, for instance, in the case of powdered milk, since the Community is practically the only producer of this in the world. Last August, the Community had up to 898 000 tons of powdered milk 36 000 tons more than in July.

The World Bank's 'Report 1978' predicts a further deterioration in the food situation in the developing countries. Despite the comparatively good cereal harvests between 1975 and 1978, it is probable that up to 1985 there will be a great shortage of foodstuffs in these countries.

According to studies carried out by the World Bank, domestic production of wheat, rice and maize in the developing countries of Asia, Latin America and Africa will fall short of requirements by 45 000 000 tons. This means that in 1985 the following food requirements will not be met: 20 million tons in the Asian countries, 15 million tons in North Africa and the Middle East, and 14 million tons in the African countries south of the Sahara.

According to the President of the World Bank, over 600 million people will be living in total poverty in the year 2000. This fact together with the figures quoted concerning population growth are the consequences of the failure of an economic system. Hence the need for a new world economic order.

In the light of these figures, it is desirable that the Community should extend its food-aid programme in the coming years and do everything in its power to ensure that aid is handled as flexibly and unbureaucratically as possible, so that it reaches the poorest sections of the population in the poorest countries without delay.

The Community must also adopt a new and integrated conception of food aid.

The Committee on Development and Cooperation has approved the Commission's proposal for a regulation to amend the decision-making and implementing procedures relating to food aid. This Committee fully agrees with the points made by the Committee on Budgets and considers that the basis for the Community's food aid policy should be Article 235, not Article 43, of the Treaty, since agricultural policy and food-aid policy are founded on entirely different concepts; it regards the Committee on Food Aid as important; hopes that the Commission, after consulting the Committee, will have the last word in the procedures for the implementation of food aid; wishes the conciliation procedure to be initiated should the Council depart from the opinion of the European Parliament; requests information from the Commission concerning the present structure of services dealing with food aid, and asks the Commission to inform Parliament of the present criteria and procedures for assessing the reports by representatives of the Commission and of the recipient organizations and countries, which are essential to the planning of effective food aid. Finally, the Committee on Development and Cooperation has approved the Commission's proposals to amend Regulation 1703/72 on the

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Community financing of expenditure arising from the implementation of the Food Aid Conventions and to amend Decision 72/335 on the Community financing of certain special expenditure arising from the implementation of the Food Aid Convention of 1971.

**President.** — We shall now interrupt our proceedings to welcome His Excellency Mr Eanes, President of the Republic of Portugal, who is honouring us with a visit.<sup>1</sup>

The House will rise.

*(The sitting was suspended at 6.15 p. m. and resumed at 7.00 p. m.)*

The sitting is resumed.

We resume the debate on the Lezzi report (Doc. 414/78). I call Mr Scott-Hopkins to present the opinion of the Committee on Budgets.

**Mr Scott-Hopkins, draftsman of an opinion.** — I should first like to congratulate Mr Lezzi on the way he presented his report and on its content. I intend to confine my few remarks to the budgetary aspects of the Commission's proposals and the view of the Committee on Budgets on them. I must start off by saying that I am very grateful to the Committee on Development and Cooperation for the way it adopted the amendments we suggested in the Committee on Budgets. I do not intend to weary the House very much longer on these matters, but they are of some substance and, I think, have unhappily led to some controversy with the Commission and probably with the Council as well.

They fall into three parts. The first question is on what legal basis food aid is going to be distributed. The Commission say one thing, i.e. Article 43. We, for our part, think that is the wrong decision to have taken; we prefer to have it under Article 235. The second point of controversy really arises from that. It concerns how these decisions should be taken, whether the expenditure is to be compulsory or non-compulsory, whether Parliament should or should not have budgetary control over these monies, whether Parliament's voice should be heard or not. We believe that it should. The third problem is the astonishing position of the Commission, which seems, on the one hand, to want to assume the power to manage food aid and, on the other hand, to allow somebody else to have a veto over it. This really seems to me quite extraordinary. I will take these three points in sequence, if I may, rather quickly.

The main point of the Commission's proposal is to simplify the decision-making process of the Community. As the House will know, the policies are being conducted up to now in a fairly pragmatic way, without being founded on any basic regulation in particular. The annual food aid programme was

proposed each year by the Commission, sent to Parliament for its information and then referred to the Council the final decision, which again did not appear as a formal regulation. Quite obviously, the Commission rightly considered that this is unsatisfactory. Because of the great importance of the policy for the less developed countries, it wants to be sure that it is based on a sound and durable legal foundation.

Quite frankly, these policies have been rather poorly managed up to now. Long delays have elapsed before the Council was able to take any decision. I am sorry there is no representative here from the Council, but never mind, perhaps it will be duly relayed to them that long delays elapsed before the Council was able to take any decision on the food aid programme, as well as on such very small and unimportant problems as the mode of transport of certain products and so on, which really is not something it should be dealing with.

The Commission therefore proposed, as I have said, to give this a legal basis, and the legal basis it has chosen is Article 43. I do not believe, as I have said, that is the right way. I think it is the wrong way. They are basing it on the agricultural policy, to which Article 43, of course, refers. They do not give any justification for choosing this, nor do they seem to consider any other option at all. I find that odd. The reason that I personally and the Committee on Budgets find it unacceptable, and I hope the House will agree with us on this, is that on political grounds it is essential to distinguish between the delivery of food aid to countries for humanitarian reasons and the disposal by the Community of the surplus food it produces. We really must not start confusing the two.

On legal grounds also, I hope the Commission will take into account that it is really a little risky to base it on Article 43 when you are dealing with such matters as the transportation of butteroil or skimmed-milk powder or wheat or cereals of any kind between the Community and third countries, which may be a very long way away.

Article 43, after all, relates only to the internal organization of the agricultural sector within the Nine; yet the Commission want to extend this widely. I do not believe that is right. It seems to me and the Committee on Budgets that it must be right to base it on Article 235. This is precisely intended to allow the Community to engage in activities not formerly envisaged when the founding fathers signed the original Treaty. I believe that not only the Committee on Budgets but also certain member countries favour this particular solution. I has a side effect, which I must say to the House, and that is, of course, that going under Article 235 the payment becomes non-compulsory and therefore Parliament, of course, has a much greater say over it. This is, perhaps, one of the most

<sup>1</sup> See Annex II.

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important parts of what I have to say. It is necessary to transfer this payment of monies for food aid from the compulsory category to the non-compulsory. Up to now everybody has considered it as compulsory payment, but I do not think this is really an acceptable basis. The decisions on food aid are not predetermined by international agreements, a though for some reason or other the Commission and the Council both seem to think they are. They are not. What is predetermined in some cases is a minimum level: a minimum level of food aid is set by agreement, but it is certainly no more than a minimum level, neither is it shared out between the member countries.

Those are two points which are important, I think. And the next point is, I think, the most important one: are we really saying that our decisions on what food aid to give will depend on what we actually have a surplus of? Because if that is so, I want to have no part of it at all, and I will walk out of this Chamber. Because I am sure that is not the way to go about it. What we must surely do is decide what we can afford as a Community to give and then apportion the money to those sectors where it can be of the greatest use and to those products which will be the most helpful to the recipient countries. Now that means that it will be a political decision, a matter of the political will to spend a certain amount of money; and if it is a question of how much money, then it must be a budgetary decision. Furthermore, if it is a budgetary decision, then we are part of the budgetary authority and therefore we have our part to play in this. I cannot conceive of any argument which can gainsay this. I do not believe that under any circumstances we can go back to scratching our heads and saying, we are going to have a surplus of milk, we have a mountain of dried milk, we have got a bit of butter-fat over, we have some cereal which is going to be in surplus; now let's put all that into food aid and dish it out as we can; it might cost so much, though we are not sure. That is the wrong way of going about it: we want to stop that immediately. But if we do it under Article 235, if we take budgetary decisions and the expenditure is non-compulsory, then Parliament has a proper method of consultation and a proper road which it can follow. Of course, all this will fail if the Council are going to take a formal decision on the quantities of food aid to be delivered during a particular fiscal year before the budgetary process starts. Well, I don't believe that is a possibility to be entertained. As a matter of fact, the Commission proposes, in the second indent of Article 1, that the Council should take an annual decision on the quantities of food to be delivered. This is not acceptable, since it would render the expenditure compulsory, but that is not the main reason, but rather the political reasons I have just put forward.

I now turn to the last issue which I wish to raise, and that concerns the amendments which have been accepted by the Committee on Development and

Cooperation concerning the method of management. This I find quite extraordinary. Here we have the Commission proposing a committee of management. We all know that up to now the management has been really rather poor. The Commission quite rightly want to gather it all into their own hands, and having collected it all into their own hands — the Council having taken their decision, the budgetary authority also having taken its decision and the Council having done the necessary apportioning as regards member countries and products and so on — the Commission then have the duty to administer it. Fine, absolutely splendid! It's all in their own hands, but blow me down, what do they do? They turn round and say it is to be under a management committee, with experts from governments — in other words, civil servants — sitting on it, although with a Commission chairman splendid, as he will be, in great isolation. They are going to have the veto over the Commission's management proposals. I don't have to labour the point, Mr President, but I can't really believe that the Commission itself wants this; I can't believe that the Commission wants to see its day-to-day management decisions taken away from it and be told by some expert committee, no, no, you can't do that; we, the management committee, say you are wrong and you can't do it. Of course they want advice, and so we are proposing, and the Committee on Development and Cooperation has accepted, that there should be a consultative committee. That, I believe, is the right way of going about it and if the Commission will think — as I'm sure they have done, I don't believe for one minute that this is going to come to them like a blinding light on the road to Damascus — surely they are sufficiently proud of their own expertise to want to be able to continue the administration and not be completely hamstrung by a further body which they themselves have created and which is going to have the power of veto over them.

So those are my three points, sir: it should be handled under Article 235; the expenditure should be non-compulsory; decision should be taken on a budgetary basis, the Parliament participating as part of the budgetary authority; and finally, there should be a consultative committee leaving the day-to-day management with the Commission after they have taken due consultation. Those, sir, are the Budget Committee's proposals which have been adopted by the Committee on Development and Cooperation. I am sure that they go along the right lines and I hope the House will accept them; but more than that, I hope that the Commissioner, Mr Cheysson, will be able to accept them too, because I believe it is in the interests of this food aid, which is so important to the developing countries of the Third World, that this should run smoothly and properly. I think that if these decisions are taken and incorporated into their original draft regulation this will not only help the Commission and this House but will promote the smooth running of a very important programme.

**President.** — I call Mr Aigner to speak on behalf of the Christian-Democratic Group (EPP).

**Mr Aigner.** — (D) Mr President, I should first like to thank the rapporteur and also Mr Scott-Hopkins for their work. I think their views accord with the Parliament's overall approach.

Neither the Parliament nor my group have ever made any secret of the fact that they regard food aid as an essential aspect of their external relations and their work for other countries; even when we criticize the way in which the food aid is administered, it should never be supposed that we would wish to slow down or reduce these operations in any way. Quite the reverse. Nonetheless, Mr Lezzi, I must say that the more one looks at the problems of administering this aid, the more one begins to doubt the correlation between theory and practice. We have dealt with a few cases in Parliament's Control Subcommittee; in two cases, which we were greatly shocked to hear about, we learned that food aid from the Community had been delivered to Cuba and then allegedly sold to Jamaica and that food-aid supplies for UNRWA, for the Palestinian refugees, aroused a strong suspicion that they had been sold in exchange for arms. We have asked the European Court of Justice to look into these matters and I hope that its enquiry, and our own efforts, will throw more light on the facts.

Anyone who has had to deal with development aid knows that it is impossible to rule out the possibility of abuse; but with Community aid there is, so to speak, a particularly high diminution when one compares what reaches the recipient with what was actually allocated. I think we should say quite plainly to the recipient countries and the administrators in those countries that anyone who exploits the sufferings of the starving population to line his own pocket can — let me state categorically — go to the devil as far as we are concerned, and we shall do everything in our power to prevent such abusive practices; above all, the Commission must do everything in its power. But this very fact, this analysis of the shows that the question of responsibility has not been properly dealt with. The present awkward system — with the Council acting as the executive body — is simply not practical in the overall Community framework. I think this is basically the reason why it is impossible to find out which people are actually responsible for these operations. We shall be able, in the light of the report of the Court of Justice, to analyse the division of responsibility properly at last, and I can say now that we shall not shirk from stating the truth in public and naming any officials who have been guilty of gross negligence. I do not intend to prejudge the position, but at all events, as I have said, facts have been brought to light which must cause us the greatest concern.

Mr Scott-Hopkins, I should like to endorse all you have said to strengthen the Commission's position. I almost suspect that the Commission would be glad to have the Council share responsibility in such difficult matters, because it is afraid that it cannot carry it all on its own. I almost suspect that the Commission would be only too glad for this reason to hand over ultimate responsibility to the Council's committee. But we, of course, take a different view. The Commission must accept full responsibility for the implementation of this food aid programme. I know this is very difficult, especially when people take the attitude, as we say in the last budgetary consultations, that it is easy to send 100 000 tonnes of foodstuffs on their way and say: 'What happens now is not our responsibility.' It is with the distribution of this aid that the real problems begin.

And then again, the Council does not grant the money that the Commission needs if it is to supervise the distribution properly in accordance with its overall responsibility. Here the Parliament must exercise its budgetary right — even against the wish of the Council, if need be — and see that the Commission gets the help it needs for the distribution of the food aid.

I believe, therefore, that our proposals, as tabled in our amendments, are justified and that we should support these amendments as to achieve greater transparency in the management of the food aid.

**President.** — I call Mr Croze to speak on behalf of the Liberal and Democratic Group.

**Mr Croze.** — (F) Mr President, ladies and gentlemen, for more than 20 years the developing countries have been going through an unprecedented food crisis. The population explosion, the lack of technological and financial potential and the burdens imposed by various customs are all obstacles in the way of improving agricultural yields and hence alleviating the food situation in each of these countries.

Since 1972, a concatenation of events has given this situation a dramatic turn. Unfavourable atmospheric conditions, above all drought, have affected and are still affecting many parts of the world, particularly the Sahel countries, Ethiopia, Somalia and Bangladesh. To this must be added the terrible plague of crickets in East Africa and certain parts of Asia.

Worldwide inflation, monetary instability and speculation have aggravated the distress which began with the fall in food production in 1972, more particularly in the cereals sector, provoking largescale purchases on the part of the USSR. Finally, the rise in price of petroleum and other primary commodities has resulted in price increases for fertilizers, pesticides and other products required by agriculture in the developing countries, thus accelerating the partial failure of the green revolution.

## Croze

According to FAO statistics, food production in the developing countries increased in 1977 by 2 %, while the population increased by 2.3 %. There are very considerable differences from one continent to another: in Africa and the Middle East, for example, the increase is zero, while in Latin America it is no more than 1 %.

Only India would seem to have recorded an improvement, with a rise of about 4 %. This figure must not, however, be understood as signifying an increase above the average level, since the preceding years, which were very poor, do not provide a good basis for comparison.

As our rapporteur pointed out a short while ago, a recent enquiry into the world food situation has revealed that the actual number of persons suffering from malnutrition is approaching 500 million and that in 72 developing countries the minimum number of calories per head of population has still not been achieved.

In these conditions, a great deal has still to be done and the industrialized countries, in particular those in Europe, have a responsibility to bear both on the political and on the technical planes.

The European Community's record of achievement since 1968 in the sphere of food aid is by no means negligible, whether in regard to its volume or in regard to the number of countries that have benefited. It should further be stressed that these efforts have not found their parallel everywhere, particularly in the countries of the Socialist bloc.

Various reports presented to this Assembly have pointed out that, despite the scale of the results recorded, Community food aid is by no means beyond criticism. Among other things, there is the problem of the time taken, which derives from the complex procedures still in force and leads to delays in delivery and imperfections in the supervision of the use to which this aid is put. Such are the inadequacies which the Commission hopes to remedy by the proposals we are debating today for an improvement in management procedures.

The Liberal and Democratic Group concurs in the observations made by our rapporteur, Mr Lezzi, whom it congratulates on the excellent document he has just presented. It also supports the amendments proposed by Mr Scott-Hopkins on behalf of the Committee on Budgets, which do not affect the powers entrusted to the Commission to enable it to carry out more effectively the policy adopted by the Council, but are merely concerned with protecting the budgetary powers of this Parliament and ensuring a proper balance between the institutions of the Community.

All those who are anxious for greater efficiency in EEC deliveries to the least fortunate countries will be following closely the position taken up by this

Assembly. It is therefore right to point out that the EEC has not yet truly lived up to the hopes placed in it. The present step-by-step policy is no longer adequate. The donating countries must no longer think in terms of annual programmes but must furnish their supplies under a long-term plan. The rôle of the Council would then be to lay down precise guidelines and issue a framework regulation, while the Commission would be charged with distributing the quantities available among countries and organizations and ensuring their delivery in the shortest time possible.

Management problems must not be allowed to lead to delays in the implementation of these decisions. The first of human rights is the right to eat. No progress, whether economic, social, political or simply human, can be achieved so long as men, women and children are dying of hunger.

We must not forget, however, that while food aid may be decisive in the short term, it is a very feeble implement in relation to the present needs of development. While it enables us to deal with urgent situations, it must on no account be regarded as an act of charity with which we can purchase a clear conscience, nor as the only possible way of helping the developing countries. On the contrary, it must be designed to help the governments concerned to mobilize their own resources so as to come as near as possible to filling their own needs.

In this spirit, I would remind you of the resolution on the Sahel countries, of which I was a co-author, and which this Parliament unanimously adopted during its September part-session. In it, we called for renewed efforts to combat the growth of desert regions, whose effects are as disastrous as those of a war. By combating soil erosion, increasing the number of infrastructure projects, laying the stress on rural development and food crops, and providing these countries with the human, technical and financial wherewithal, we can enable them to achieve self-sufficiency in food supplies and palliate the effects of poor years. This is the road we must take if appeals for food aid are soon to be confined to exceptional, emergency situations.

I hope that the crisis we are going through in our own countries will not make us unmindful of so crucial a problem as that dealt with in Mr Lezzi's report, and my Group would wish to see this report unanimously adopted by our Assembly.

**President.** — I call Mr Veronesi to speak on behalf of the Communist and Allies Group.

**Mr Veronesi.** — (I) Mr President, colleagues, I should like to begin by expressing my sincere appreciation to Mr Lezzi for his excellent report.

It is a huge document which does not limit itself to the specific questions relating to the amendment of the regulations but looks at the wider picture, at the



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deeper political content and, more than any of this, at the human significance of this problem. It is a matter to which, I believe, the European Parliament and the Community in general should give considerable thought in the future so that its policy fits the reality of the changing world-population situation, not merely in the interests of the countries to whom, in one way or another, we can offer help, but in the general interests of mankind.

I shall not waste time by going over the administrative and legal questions, which have already been dealt with in such depth by other members. What I would prefer to do is to touch on the general and human aspects of this whole question. The point has already been made — and it is something which should be stressed — that this problem must in future be tackled not only in terms of aid but also in terms of structural help. We must encourage the countries we are helping today to develop an independent productive capacity able to provide for all the needs of their people and free them from the mercy of climate and weather and the uncertainties of geography.

I would recall that, during the debate on the Budget, the Socialist Group put forward an amendment calling for an increase in structural aid for agriculture in the countries being helped. This amendment concerned Article 930, Chapter 93, Title 9, and called for a Community effort to increase aid appropriations in the agricultural sector for the developing countries. We were shocked to discover that, apart from the Socialist and Communist Groups, there was no further support for our amendment, and it was not adopted.

I believe this flies in the face of everything that has been stressed here this afternoon. We cannot behave in two different ways : to be Mr Hyde and Dr Jekyll at the same time. It is vital that we all make an effort to widen the scope of our aid so that it can have an enduring and not merely a cosmetic effect.

I would also suggest that in doing this we attempt to get the cooperation of all the developed countries of the world, in the East as well as in the West, to resolve, on a large scale and with large amounts of aid, the problems of hunger on our planet, which, at the end of this century, will have around 7 billion inhabitants.

This is why we want to urge — and have taken this occasion to stress the fact once again — that the Community should make every effort at reforming the aid system along structural lines to the greatest extent possible and in accordance with the best criteria of aid management.

**President.** — I call Mrs Dunwoody.

**Mrs Dunwoody.** — I merely wish to say to the honourable gentleman who has just spoken that this debate is typical of the ambivalent attitude of the Community towards development aid as a whole. It is all very well for us to say that during the time we have been operating an aid programme the machinery has

been both unwieldy and in many instances lamentably tardy in its application ; but we have to go rather further than that. I think Mr Scott-Hopkins has spelt out real practical difficulties and the political reasons why we cannot follow the suggestions of the Commission, but the real truth of the matter is that the Community itself is not prepared to face its responsibilities. There is no point in this Community's suggesting that it wishes to use food aid as positive means of assisting underdeveloped countries unless it does so on the basis of a multiannual rolling programme, unless it thinks about the implications long before the Council comes to an overall budgetary decision and unless it actually does something very positive about providing the kind of food aid that is needed by the countries concerned. There is a lamentable lack of discussion of the attitude of the developing countries to the need of importing food.

I must say that I agree with the Italian Communist speaker who said that we must not only think about this in terms of exporting surpluses but also about the structural aid that we are going to give to these countries. But I also have to say to him that when that happens, if it ever happens, the first thing the Community will do will be to put up very considerable barriers against products from the developing countries and forbid them the access to the internal markets in the Community which would improve their economic position. And if you do not think I am right, you should look at the attitude of the Community to the Banana Protocol and the Rum Protocol and to many of the things that are happening to the ACP countries now. And the ACP countries are not the poorest in the world. They include some of the poorest, but they are not made up exclusively of the poorest countries in the world.

What I want to see the Commission do is to look very hard at the way their machinery is operating : I want them to go to the Council and say, We must have a proper budget, we must have the means of determining what products are most needed and of getting them to the places where they are most urgently needed, efficiently and quickly. What happens in this Chamber is that we have a number of debates, which have one thing in common : they are full of good will and astonishingly lacking in practicality. That is what happens time and time again. Mr Aigner says that we must ask the auditors to look very carefully at the administration. Of course we must, but that is not enough. We must find out how it could happen that a programme was so incompetently administered that it could be exploited by people who perhaps had no right to get hold of the food. That is the fundamental question.

We are an extremely rich and powerful Community. We produce so much surplus food that it is positively obscene. But there are people dying of hunger in the world. We express ourselves very firmly about the need to assist developing countries and, if you will

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forgive my saying so, we do damn all about it in practical terms. Even the amounts we are talking about in this programme are minimal in comparison with the real problems of the Third World. And at the same time we talk about the need to expand our markets overseas into areas where we have previously not traded efficiently. We should be saying to ourselves that the man, woman and child who is hungry, concentrates solely on that feeling of hunger. He is rarely interested in political freedom, he rarely has the time or the strength to think about social conditions, all he knows is that his one basic need has not been satisfied, we in the Community have the ability to satisfy it and, like the Pharaohs, we are sitting behind closed doors on large amounts of grain.

Mr Lezzi's report shows us what we have to do. It is written with his normal strong socialist commitment to the wellbeing of the majority of the developing countries of the world. But this is only an opening. What the Commission should be doing is not coming back here and saying, We know that we are unable to carry out efficiently the plans that you have set us. They should be saying. This is what we have to do to make our programme efficient; we demand that you back our argument. Then they must take the political responsibility for the criticisms that will follow if they do not put the situation right, because that is what it is all about. The food is there, the ability is there, the goodwill is there; now let us for once do something right and get the food to the people who need it most.

**President.** — I call Mr Bersani.

**Mr Bersani.** — (I) Mr President, colleagues, I too should like to thank Mr Lezzi, who has dealt with both the background to, and the most immediate aspects of this delicate and vital problem with remarkable devotion and concern, for which all of us — I am sure — are profoundly grateful.

It was inevitable that the debate should extend beyond the confines of the more immediate content of the proposals on which we have to give our opinion. They are important proposals because, by bringing the methods up to date, they render aid more effectual and more rapid, they define the executive responsibilities, and they specify the tasks of the food aid committee, which is to coordinate bilateral and multi-lateral policies.

These are certainly all very important points and I too can give my full endorsement to the Commission's proposals as well as to a series of amendments tabled by the Christian Democratic Group.

But in discussing the methods it is inevitable that one will have to refer to the primary causes and to the ends. Speaking about the causes, Mr Lezzi painted a very lucid and passionate picture; it was both complete and accurate and I have nothing to add to it. As regards the ends, we would do well to ask ourselves more precisely than we have in the past what exactly

can be the function of food aid as a whole. As a year-to-year arrangement it is very uncertain; it should be placed on a longer-term footing and, instead of being dealt with separately, become an integral part of that much broader strategy which Commissioner Cheysson, with all his well-known thoroughness, has traced out in such interesting fashion. — Aid, in other words, not in isolation, but aid which takes account of the reasons for the food shortages — namely, the backwardness of the developing countries which the industrialized countries have not helped sufficiently or with enough intelligence.

I have spoken on this subject several times and, like Mrs Dunwoody, I am convinced that we must finally draw some conclusions of a practical nature. I myself therefore tabled amendments, Mr Veronesi, which were resoundingly defeated, but which were meant primarily to have a symbolic significance over and above the modest figure I proposed to show that, if we know that food production capacity is lagging behind terribly, we must do something specific about it, and in the first instance by entering appropriations in the budget for this purpose. And sooner or later, I believe, we shall have to start discussing this in practical terms.

This discussion is linked, through the strategic approach recently put forward by Mr Cheysson, to the arrangements for the food-aid policy, which is worldwide in scale but which must inevitably be directed primarily at those closest to us: the members of the new Convention which will replace the Lomé Convention. Well, I am convinced that a special effort has to be made; we all say that the new Convention must contain not only quantitative but, above all, qualitative improvements. We have already undertaken a number of projects in the agricultural field, but a list of projects does not amount to a policy: it is results that make a policy and — in my opinion — if these are the results, then there is certainly something in this policy which needs changing. I give an example: when, a few years ago in Mali, the rice-field project was launched near a bend of the river Niger in the Mopti area, we did something which changed the food situation in a whole region. It remains clear today that we have to choose between agricultural goods for export, which would help the economies of these countries, and products which meet the immediate needs of hunger and survival of the people concerned. Here, too, we should ask ourselves what has to be done, since we are expecting a food deficit of 130 million tonnes in the next five years. This is an awful prospect, and if we fail to make provision in good time we shall find ourselves facing a truly terrible situation.

Mr President, colleagues, I therefore believe that we have to reconsider thoroughly this entire matter. The proposals before us today will have the effect of improving our actions and making them more effective. If there are some countries that hesitate, Parlia-

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ment should speak clearly and say that in a situation of this kind there can be no question of cutting back or limiting aid; we must make progress but, above all, we must strengthen the link between aid as such and cooperation and solidarity; I therefore think we should start translating into practical terms some of the points and ideas which have been raised here today by taking new initiatives, by giving greater publicity to what is already being done, by making use of our experience and by fully mobilising international cooperation — on which far too little emphasis has hitherto been placed.

**President.** — I call Mr Cheysson.

**Mr Cheysson, Member of the Commission.** — (F) Mr President, the Commission would first of all like to thank the rapporteur and the draftsman for their work and this Parliament for creating the opportunity for a debate on what ought to be the subject of a true policy, a deliberate or voluntary policy, as an amendment tabled by the Christian-Democratic Group proposes to put it. The requirements of this policy have been acknowledged by all the speakers and I shall not go over them again, particularly as Mr Lezzi has given all the relevant statistics and Mr Croze, too, has referred to them. Ten years after the beginning of our food-aid campaign, we can say that, quantitatively, we have already achieved a creditable record. In the budget for 1968, 466 million units of account were entered under the heading of food aid, and for the 1979 budget the Commission's preliminary draft envisaged the appropriation of 750 million units of account. If the Parliament's figures were adopted, we should arrive at a sum of 820 million.

The aim which Mr Lezzi's report would have us follow is to intervene rapidly to relieve distress wherever there are emergency situations and to raise the level of nutrition — we have to act in response to food requirements, as Mrs Dunwoody underlined — in order to promote economic development. These last two elements undoubtedly imply a long-term policy. I would remind this House that for years the Commission has been asking for the authority to enter into multi-annual commitments. Ever since I came to the Commission, not a year has passed but we have tried to obtain this authority from the Council, so far without success save for one operation which we regard as constituting a very important precedent and to which several speakers have referred: that is the operation Flood II in India.

How do we select our partners? We make use of all the sources of information at our disposal — this in reply to paragraph 9 of Mr Lezzi's report — those of our own, of multilateral organizations and of our governments. The criteria governing the choice of partners are objective: the need for imported food, the nutritional requirements, the level of the country concerned as indicated by its gross national product,

the state of its balance of payments and the extent of its debts. Those are our criteria, and there are no others.

Therefore, Mr President, I should like to say without beating about the bush that it is easy to declare in this Chamber that sometimes our aid goes to countries which have no need of it. I invite you to quote me an example. I ask you to give me proof of a single instance in which we have done anything of the sort. I am waiting.

Mr Aigner cited two instances, and I shall now take them up. You have consistently said that we should assist by means of gifts to international organizations active in the food-aid sphere, and every year, when the food-aid budget is being debated, we are reproached for doing too little *via* the world food programme. Has that, or has it not, been the Parliament's attitude? Of course it has. Now it so happens that one operation undertaken under the world food programme has created problems. The problems were not with us; they were with the world food programme, for the aid which Mr Aigner referred to and which went to Cuba was part of an operation decided upon and carried out by the world food programme — on the basis, admittedly, of supplies which we had furnished to it as part of our annual contribution. As to the other operation referred to by Mr Aigner, I, at any rate, have no reason for thinking that it went astray. The operation concerned aid given to the UNRWA and destined for refugees in Palestine. I do not think it can be said that there are any men or women there who have no need of food aid. I do not think we can say that this United Nations agency has betrayed its mission, and if this charge has to be made, it should be addressed to the United Nations.

This policy — because that is what it must be — must be treated as a policy, and what the rapporteur has written is to be welcomed wholeheartedly. There is indeed, as he says, something absurd about the Community's agreeing to furnish products of which the countries concerned are in urgent need if the aid does not arrive until the situation has changed. Procedures have been imperfect and delays have accumulated; but we have made some progress, and I am happy to report to this Assembly that during the first nine months of this year we have been able to deliver 99.5 % of the year's programme in cereals — in 9 months almost the whole of an annual programme — 75 % of an annual programme for powdered milk and 95.5 % of an annual programme for butter-oil. That is to say, the delays that had accumulated have been made good so far as we are concerned, but not in the final stage because of details in the present procedure. There will be some problems of organization. There are also — the Assembly must not deceive itself — some staffing problems. These 450 — 500 million units of account are managed by a group of officials who include exactly 9 in grade A. Can anything better be claimed at the world level?

## Cheysson

But the main point is — and Mr Lezzi and Mr Scott-Hopkins have drawn attention to it — that the procedure is irregular. This procedure is, first of all, irregular because certain powers have been abused by the Council — 'usurped' is the term employed in Mr Lezzi's report. This is the reason for the Commission's proposal of 14 June, with which you are acquainted and which I shall not go over again. This proposal is supported by the Parliament — at least, that is what is recommended by the two committees, and I am very grateful to them for it. I very much hope, therefore, that the Parliament will decide to adopt the stand taken by its committees.

Between those committees and ourselves in the Commission, there are four subjects of discussion and, if I may, Mr President, I should like to outline them briefly. First of all, there is the legal basis for the new campaign. The Commission said, Article 43, and I am not particularly proud of this reasoning. We were merely continuing on the basis of what had been done before, in order to avoid being involved in a theological debate; but I willingly grant, now the question has been raised, that in fact Article 235 is entirely consistent with what we want to do, since it is a matter of defining a policy. I agree with this Parliament, and I will propose to the Commission that we insert in our proposals a reference to Article 235. I would only ask the Parliament to understand that we wish to maintain the reference to Article 43, partly in order that our past campaigns should not appear irregular, but also because the rules for mobilizing food aid, insofar as it is purchased on our own market, are governed by the common agricultural policy.

This policy must enable the Commission to assume its responsibilities and act rapidly, flexibly and efficaciously. Let us, then, take a look at the way in which these programmes will be adopted. First of all, there are the decisions concerning the total quantities. The first point we insist on is that the decisions taken by the Council on this plane should be adopted by a qualified majority, that there should be no possibility of blocking within the Council the adoption of general guidelines and total quantities. This possibility has not existed so far, since these quantities resulted from the budget, and it would be absurd to create this possibility for the future.

We therefore consider that the Council should decide by a qualified majority and that it should make this decision in good time. Here, the latest wording proposed by the committee is of interest to us, because the Commission insists that the guidelines be fixed before the end of October for the following year, since the programme could then be established well before the end of the financial year preceding that in which it is to be implemented. But this means anticipating the budgetary procedure, which, I would remind the House, is not concluded until its second reading in this Parliament, i.e., at the end of

December. By this I do not mean to say that we do not wish the Parliament to be associated in the decision taken by the Council. On this point, naturally, we are in agreement, but we consider that these general guidelines and decisions on total quantities must be arrived at before the end of October, as the committees' wording very rightly recommends, and therefore before the budgetary procedure. That is the second point on which we may have some difference of views with the Parliament.

**The third you are already familiar with: it concerns the classification of the expenditure.** First of all, it is not correct to state that our deliveries of food products are never connected with international agreements: in the case of wheat, there is a convention fixing the amount; we have multiannual commitments, and we wish to have more in the future. And then comes the very judicious argument, on which I would congratulate the committee members for their show of imagination: 'but since nothing is shared out in advance between the governments and the Community, this proves that there is room for manoeuvre from one year to the next.' This, Mr President, would lead to the entirely paradoxical situation that, if the expenditure were classified as non-obligatory, the Parliament, by having the last word on the amount of the appropriation to be entered in the Community's budget, would be deciding what the governments had to do within their national budgets. Do you not think that that is going rather far, too far? At all events, that is the Commission's view.

The last point concerns the management committee. Mr Scott-Hopkins expresses surprise at our attitude. Mr Scott-Hopkins, how can you be surprised when this attitude is entirely consistent with the position we have occupied on all the consultative committees without exception: those in the sphere of agriculture, that which exists on the Regional Fund, that which we are proposing for the non-associated developing countries, and that which we are proposing for the Maghreb and Mashrek countries? We are proposing the same procedure for all these committees. We are involved in considerable difficulties with the Council in this connection, since the Council at the moment considers the Commission's position to be unreasonable and wants to have the right of decision. We are determined to maintain our position in face of the Council, and we very much hope that the Parliament will pursue the consultation procedure: it has already begun this procedure on the non-associated developing countries; I trust that it has not let it slip through its fingers on the subject of the Maghreb and Mashrek countries, although I am told that the date for foreclosure has already passed, a point to which I would draw your attention. I am gratified to find that paragraph 8 of the motion for a resolution envisages a consultation procedure on this subject too, which is particularly important.

**Cheysson**

Such, Mr President, are the four points on which there may be some slight disagreement between Commission and Parliament. As you see, there is no such danger regarding the main features of this matter, the need for this policy. On all these points, we hope that the Parliament will adopt the proposals of its committees, for this will mean a powerful support for us in an extremely delicate discussion, believe me, with the Council.

**President.** — I call Mr Aigner.

**Mr Aigner.** — (D) Mr Cheysson, I cannot believe that you expect the Parliament to be satisfied with this answer. Far from it. Of course we want some continuity in food-aid policy. That goes without saying. But that is perfectly compatible with Parliament's budgetary procedure. Perhaps I might remind you that 60 % of the expenditure for 1977 could only be used the following year because it had to be carried over. As you see, even in the current budgetary discussions the situation is not quite as you present it.

Now the second point. We classify the Community's expenditure. That is the non-compulsory expenditure. But this does not mean making claims on national funds. It sounds very clever for you to suggest that, but you are ignoring the facts. When we speak here about classifying funds, Mr Cheysson, we are talking about the Community's expenditure and no other expenditure. If they are linked with national funds, then the national parliaments can of course engage in discussions with us, or the governments can discuss it with you in the Commission, so that we can decide on concerted action. But I am not making the classification of expenditure dependent on joint action with the national parliaments. We are fighting here for our rights and our right of co-decision; that is part of our responsibility here.

Next, Mr Cheysson, we have nothing against consultative committees. On the contrary, we know that the constitutional structure of the Community is like and that we still need the national bodies. But we are demanding that the last word should not rest with officials in the Council, whom I thoroughly respect but who cannot take over political responsibility from us, but that instead the Commission should have the last word and accept final responsibility for these operations. The Commission, and not some official in the Council, whatever his rank, is answerable to this Parliament. All the available views, the political will of the Member States may be brought into the consultations, but the last word must rest with the Commission.

Let me say one more word about Cuba. Of course, I know that food aid was not supplied to Cuba directly, but through an international organization. But when the Commission grants aid on such a scale to an international organization, it can surely say: this aid is not to be given to countries engaged in acts of aggression.

It is utterly unthinkable that we should be supplying relief parcels to firebrand troops in Africa and these trained aggressors. We have not turned into a suicide club!

With regard to the Palestinians, Mr Cheysson, of course we know that it is difficult when one wants to help these people, and the Palestinians are in a difficult situation. I do not mean the terrorists, but those who have to suffer the whole tragedy of the situation. Of course we must help them, that is obvious. But I know what the power structures are like there, with the terrorist groups holding practically all the power in their hands and, in that case, if I am giving food aid, then I feel bound to look more closely at the arrangements for distributing it; I cannot simply stand back and watch the official wash his hands of the matter and say, 'I have now given away so many thousand tonnes. *Après moi le déluge!* My responsibility stops here!' No, when such situations become apparent, then the Community's responsibility must be extended further into these areas, it must become administratively more active there, so that we can answer public opinion. I have to talk about this to my constituents tomorrow. — What do you think they are going to say if I tell them I have supported terrorist organizations with food aid from the Community? But that is what it looks like. I know that this is only a tiny part of the food-aid programme, but any mistakes will destroy the goodwill that we need if we are to supply this aid.

**President.** — I call Mr Scott-Hopkins.

**Mr Scott-Hopkins.** — I am very grateful to Mr Cheysson for the way he replied to this debate and I would like, very quickly, to take three of his points in reverse order. As far as the management committee section is concerned and his opposition to our proposal that they should be advisory rather have the power of veto, he must be aware, as I am sure he is, when he refers to the other management committees as to the precedent which he must follow in this particular case, that the House and the Committee on Budgets in particular have said no to all this and they have been trying to reverse this particular trend all the way through. There is a great controversy at the moment and a division between us as to the efficacy of these management committees and the way that they work. Here I would honestly have thought, Mr President, that he knows as well as I do that day-to-day management must be concentrated in the hands of the Commission. Is he really saying that he wants another body to have the power of veto on such matters as whether milk powder should be deck or internal cargo or whether it should go by this line or that line or on what day it should go? Apparently he does want that, and I think he is wrong. I think he needs expert advice, but not the power of veto.

**Scott-Hopkins**

Turning to the next point, I think my honourable friend Mr Aigner has made the point concerning the compulsory side of it and I don't need to labour that particular matter. We are not talking about national parliaments; we are anyhow limited, as the Commissioner knows full well, in the amount Parliament can add to the budget to a percentage of the non-compulsory sector, and so I would have thought that his argument here is very weak.

That brings me to my last point. When he is talking about the Council taking the final decisions on the quantities and indeed dividing it up before the House has completed the budgetary procedure in December, does he really believe that they are going to take these decisions in October; that he is going to be able to push them each year to decide this in October? I don't believe him. And I don't really think he believes it himself either. Would he not agree, finally, that no matter what he says or how we look at this matter, it is a political decision how much money can be spent? Now if he accepts, as he has done graciously, that Article 235 is a basis on which it should be done, with a certain nuance as far as Article 43 is concerned, than what money can be spent is a political decision; and if that is so, then this House has a right to participate in these decisions, and I would have thought there was no contesting that.

Finally, before I sit down I would point out, Mr President, that is the political import of food aid, of deciding how much money the Community — not the national governments — can afford to spend from its own resources. This backs up what Mr Aigner has already said. But the point is also this food aid is non-political; it goes to people who need it, who are in suffering and who are virtually destitute. The decision should be taken entirely on a non-political basis. I hope he will agree that all the decisions, be they by the Council, the Commission or indeed this House, as to whether or not a particular area or country or region should receive food aid, must always be taken on a non-political basis.

**President.** — I call Mr Broeksz.

**Mr Broeksz.** — (NL) Mr President, I should like to make one comment on what Mr Aigner said. He mentioned Cuba. I, too, have no desire to defend the political régime in Cuba, far from it; but when we have to decide whether or not to help people who are starving, people in real need, then I cannot go along with him. I have said on numerous occasions that there are some ACP States of whom we might well ask whether they really deserve our economic aid. Uganda is a case in point, but if the Ugandan people are starving and we are asked to give food aid, then I believe that we must give it. That is our human duty.

Mr President, even if we do not agree with what is happening in Cuba — and I certainly do not agree

with it — I still believe that if people are starving we must grant food aid, and I want to make my position clear. I have always taken this line in the Committee on Development and Cooperation, and I believe that it would be wrong for this House to vote against granting food aid just because we do not like the political régime. Furthermore, I am convinced that such an attitude would cause us no end of problems.

Mr President, I want to state very clearly that on this point — and only on this point — I cannot agree with Mr Aigner, although I agree entirely with the remainder of what he said and with what Mr Scott-Hopkins said.

**President.** — I call Mr Cheysson.

**Mr Cheysson, Member of the Commission.** — (F) Mr President, I wish first of all to confirm for Mr Aigner's benefit that the delay in 1977 has been made good: the correct figures will be conveyed to him, since those he referred to are out of date.

On the second point, I must reply to Mr Aigner in the affirmative: in the case of the wheat agreement, where there is a general commitment on behalf of the Community and the Member States, if the European Parliament fixes the amount which is to figure in the Community's budget, it *itso facto* fixes the amount which is to figure in the national budgets.

Thirdly, the honourable Member must excuse me, but I cannot allow the remarks about food aid to Palestinian refugees *via* the United Nations Agency to pass without comment. We were asked to take this action by all the governments concerned, by all without exception, by Israel as well as the Arab countries. To cast any doubts upon this campaign would be to aggravate yet further the situation of these Palestinian refugees. If there is an element of doubt, it should be reported to us in a precise manner: this has never been the case so far.

Mr Scott-Hopkins employed a phrase which the Commission whole-heartedly supports. Yes indeed, we must reverse this trend concerning the management committees: the line taken by the Council for some years now is a usurpation of powers. We want to reverse this trend, and that is the road we are taking. You must help us, for you have progressed further along this road than we have. For my part, I should be very happy if we could obtain for all the management committees what we have already obtained with regard to some of them.

**President.** — I call Mr Aigner.

**Mr Aigner.** — (D) Mr President, I must put in a word here in order not to leave a false impression.

Mr Cheysson, I said in so many words that I fully understand that one should supply the Palestinian refugees with food aid. I took this case as an example

**Aigner**

to show that when the distribution takes place in such difficult circumstances — and you are aware of the letters exchanged, I hope we shall soon be receiving a detailed report from the European Court of Auditors — the danger of the food being sold and the money used to buy weapons exists, and here became apparent. That cannot be the purpose of any joint action. All I said was that the Community must here be in a position to guarantee the process of distribution right down to the ultimate recipients. We need more resources in order to be sure that this process is completed under the Commission's control and not *via* market structures which may not be above suspicion.

**President.** — I note that no-one else wishes to speak. The motion for a resolution, together with the amendments that have been moved, will be put to the vote tomorrow during voting-time. The debate is closed.

14. *State of commercial and economic relations between the EEC and Yugoslavia*

**President.** — The next item is the interim report by Mr De Clercq (Doc. 408/78), on behalf of the Committee on External Economic Relations, on

the present state of commercial and economic relations between the European Community and Yugoslavia.

I call Mr De Clercq.

**Mr De Clercq, rapporteur.** — (NL) Mr President, ladies and gentlemen, on behalf of the Committee on External Economic Relations I have pleasure in submitting to you today the interim report on the present state of commercial and economic relations between the EEC and Yugoslavia.

Why are we submitting an interim report? As you are aware, the Community is at present negotiating a cooperation agreement with Yugoslavia to replace the current five-year agreement. Since these negotiations will probably last until the end of the year, your committee decided to set out its position not only on the state of our relations with that country but also on the progress of the current negotiations. Later on, when it has been officially consulted by the Council, it will draw up a final report on the content of the future cooperation agreement.

In late September this year, a delegation from this Parliament visited Yugoslavia. I have to incorporate in this report the up-to-date information supplied to me by the members of that delegation.

I should now like to spend a little time looking at the various paragraphs in the motion for a resolution in the light of the analysis of the situation which you will find in the explanatory statement.

As you are aware, the present negotiations result principally from the 'Belgrade Declaration' of 2 December 1976, in which the two parties set the guidelines for their future cooperation. I have therefore referred to

this in the preamble. Similarly, I have referred Parliament in the preamble to the report submitted by the Committee on Social Affairs, Employment and Education on the mandate for the negotiations between the EEC and Yugoslavia. The final important reference in the preamble is to the oral question tabled by our committee to the Commission and the Council on external agreements concluded by the Community. Our committee considers this matter extremely important, since it partly involves Parliament's powers in respect of the Community's external affairs. I shall return to this point later.

In the introduction to the explanatory statement, I have tried to give an overall picture of Yugoslavia's special position as a multi-national Balkan state situated between the Eastern and Western economic and military blocs. It is a non-aligned nation, a developing country in the North-South dialogue, a transit country linking the Community with Greece, Turkey and the Middle East and a Mediterranean country. Hence the reference in paragraph 1 of the motion for a resolution to its importance to the Community.

A description of the economic situation in Yugoslavia is followed by an analysis of commercial and economic relations between Yugoslavia and our Member States. The serious imbalance and Yugoslavia's increasing trade deficit are at the root of the concern expressed in paragraph 2. That is why in the third paragraph I stress that the new agreement must provide for closer cooperation with Yugoslavia in all sectors with a view to improving the structure of trade on the basis of the complementarity of our economies.

Since there is no procedure for regular consultation between the Commission and Parliament, we have had to glean our information on the progress of the negotiations from press reports and what we have learned from the members of the delegation who visited Yugoslavia. I should have liked to add a few facts from my personal experience, but the Bureau did not consider it essential for the committee's rapporteur to accompany the delegation to Yugoslavia and it turned down my request. I find that a great pity, but let us return to the matter in hand.

The major problems occur in the economic and commercial sectors. They may be summarized as follows: Yugoslavia would like to conclude a non-preferential agreement with the Community but one which grants it certain special concessions. The Community is prepared in principle to grant Yugoslavia preferences as a Mediterranean country, but for political reasons Yugoslavia cannot accept them in the form normally used by the Community. That is why in paragraph 5 we urge that the new agreement should rapidly make it easier for Yugoslavia to export to the Community so that the revenue from its exports may be used to pay for its imports from the Community.

**De Clercq**

We are fully aware of the political, legal and economic problems which stem from Yugoslavia's special position. Nonetheless, we have every confidence in the Commission's ability to find an appropriate solution which complies with Yugoslavia's wishes and requests but which also takes account of the common trade policy and the obligations entered into by the Community, especially with respect to the other Mediterranean countries.

Paragraph 6 deals with social questions. Here I would commend to you Mr Adams's report on behalf of the Committee on Social Affairs, which draws attention to the serious social problems in our relations with Yugoslavia. So we reiterate the call, which our colleagues made earlier, for the removal of discrimination against Yugoslav workers in the Community. In the new paragraph 7, your committee also expresses the hope that the future agreement will include a provision for the organization of regular contacts between the European Parliament and the Federal Assembly of Yugoslavia in a form to be determined by the two institutions concerned. I should appreciate it, Mr President, if the Bureau of the European Parliament could consider this matter at an early date.

Your committee decided to incorporate in this report its opinion on Petition No 20/77, which refers to the free zone defined in the Italian-Yugoslav Protocol of 10 November 1975. The petitioners claim that this Protocol conflicts with fundamental Community principles and that it threatens the environment in the area. I do not intend to go any further into this matter now, since the House will probably consider it in greater detail when the appropriate report is submitted by the committee responsible, the Committee on the Rules of Procedure and Petitions.

Mr President, ladies and gentlemen, in conclusion may I draw your attention to paragraphs 9, 10 and 11 of the motion for a resolution. They refer in particular to the legal vacuum in respect of parliamentary powers of supervision of the Community's external relations. As things stand, the Commission and Council may act under the common trade policy without being subject to any effective control by this Parliament. We must therefore take the opportunity afforded by these negotiations to ensure that Parliament obtains more effectual powers of supervision and ratification. I consider that this period of preparation for direct elections is a good time to demonstrate to the peoples of our countries the significant rôle of the 'Assembly' in relation to the all-powerful executive in Brussels and to show that the European Parliament is a real parliament, capable of fighting for its rights and thereby helping to protect the interests of the individual.

**President.** — I call Mr Radoux to speak on behalf of the Socialist Group.

**Mr Radoux.** — (*F*) Mr President, at a time when the European Parliament is taking up once more the question of replacing the existing agreement between our Community and Yugoslavia, Mr De Clercq's report is particularly opportune in that it draws attention to two or three facts. The first is that it will soon be a year that we have been waiting for that decisive step that will permit the conclusion of a new arrangement; and the second is that the signatures appended to the new texts will in fact be appended to an agreement which must not be allowed to have the same limited scope as its predecessor.

The Socialist Group will vote for the resolution moved by the rapporteur, which contains two or three points of particular interest. In the first, Parliament states that it is aware of the difficulties, especially in the commercial and economic field, but urges — bearing in mind existing agreements with the other Mediterranean countries — that it be made easier for Yugoslavia to export to the Community. This is obviously the essential element in any attempt to redress Yugoslavia's trade balance.

In the second, the Parliament hopes that the future agreement will include a provision for the organization of regular contacts between the European Parliament and the Federal Assembly of Yugoslavia, these to take forms to be defined by the two institutions concerned.

Finally, there is a third point, which deserves the attention of those to whom this resolution is addressed: namely, that relating to social problems, more particularly the situation of Yugoslav migrant workers in the Community. As we know, bilateral agreements already exist on this subject, and their harmonization and improvement might well constitute a subject for inclusion in the negotiations. The purpose of today's report is to draw the attention of both Commission and Council to the desirability of supplying timely information to the members of the Committee on External Economic Relations of this Parliament when we come to draw up a final report.

Mr President, ladies and gentlemen, in view of the specific features characterising Yugoslavia, sometimes exclusively, today's debate is of particular importance. Mr De Clercq is to be congratulated on the quality of the motion he is submitting for our approval and on the clarity of the accompanying explanatory statement. The manner of presentation is inspired by what I might call the spirit of the Belgrade Declaration, to which he refers — the Declaration made in 1976, for the Community, by the President-in-Office of the Council and Mr Gundelach, of the Commission, and, for Yugoslavia, by the President of the Federal Executive Council of Yugoslavia. This document lays down the aims to be pursued in developing relations between the two partners. These include improving the structure of their trade; promoting the develop-



**Radoux**

ment of the Yugoslav economy; developing financial cooperation; and, finally, promoting joint ventures in the production and sale of goods for third countries.

The question facing us today is what we have in mind when we speak of a change of approach to the contractual relations existing between the Community and Yugoslavia by virtue of the non-preferential agreement of 1973. Essentially, the answer might well, so it seems to me, be found in the following points:

- 1) the abolition, on the Community's part, of customs duties and quantitative restrictions in the industrial sector, subject to certain exceptions for sensitive products; on the Yugoslav side, a review of the facilities granted to the Community when the arrangements laid down under the agreement come to be reconsidered, along the lines of the arrangements laid down in agreements with the other Mediterranean countries;
- 2) inclusion in the new agreement of specific concessions in the agricultural sector;
- 3) a financial protocol in which the amount and the liberalness of its conditions were determined by criteria similar to those adopted in this domain in the agreements with the other Mediterranean countries; finally,
- 4) a section dealing with cooperation, *inter alia* in the social field, inspired by the work carried out by the subcommittees set up under the agreement of 1973.

Having raised these questions concerning the substance of the matter, I must add a few words about questions of procedure in order to show why this particular moment was chosen to present this interim report. For our part, a report by Mr Adams was submitted last year in view of the new agreement to be concluded. Subsequently, we debated an oral question in plenary sitting and received a reply to a written question, not to mention the talks that took place last September in Belgrade.

What is the current situation in the Council? The Council directives date back to last January; but since the Council meeting of July, the dossier has been re-examined on the basis of new propositions, and on that occasion the Council announced that it would give the Commission a mandate for 17 October. This time-limit was not respected, and another date has been announced for November. At the moment there is talk of a further postponement till next month, the negotiations continuing meanwhile between the Commission and the Member States of the Community.

To put it briefly, although talks were begun in good time to replace an agreement due to expire this last summer, it has proved impossible to observe the time-limits and recourse has had to be taken to the device of tacit prolongation. In view of the internal proce-

dures obtaining in our Community, it should not necessarily be concluded that no progress is being made, but we must avoid creating an impression which is unfavourable even if unfounded.

The question of signing a new agreement between Yugoslavia and the Community is not a matter of deciding whether one is in a position to grant greater concessions or otherwise improve what has been in force since 1970. The question is of quite a different order: are both the parties determined to conclude an agreement representing a fundamental change in the approach to relations between the Community and Yugoslavia? Are, indeed, these negotiations aimed at the conclusion of an agreement *sui generis* reflecting the specific character of these relations and equipped with an original cooperational framework which is largely inspired by the type of agreement concluded by the Community with the southern countries but adapted to Yugoslavia's degree of development, her economic organization and her characteristic features, which were well described in the joint Belgrade declaration?

This declaration included a timely reminder that Yugoslavia is one of the developing countries, a non-aligned country, a Mediterranean country and a European country whose geographical situation is one of the decisive elements in its external relations. Our Assembly is aware of this situation, and it must aim at doing everything to ensure that the Council arrives at a decision.

On behalf of the Socialist Group, I call upon the Council to show proof of political will, without which nothing can be done to serve the obvious interests of the two parties concerned. Both Council and Commission must assume their responsibilities and put an end to the repeated postponement of time-limits.

As I have said, we are fully aware of the difficulties of this operation. Its legal aspects are complex, and it throws up dilemmas deriving from the fact that both parties are signatories to GATT. But if we want to react positively to an exceptional case, we must be prepared to accept the consequences. That, Mr President, is why the Council must find a way at arriving at a decision during its meeting of 21 November.

**President.** — I call Mr Martinelli to speak on behalf of the Christian-Democratic Group (EPP).

**Mr Martinelli.** — (I) Mr President, I too should like to express my thanks to Mr De Clercq, who, in his wide ranging and somewhat critical assessment of the general situation, has given us considerable food for thought.

The first thing that strikes one in a debate of this kind is that all of us, rapporteur and other speakers, have referred to a declaration made 23 months ago: to the Joint Declaration of Belgrade of December 1976, which — it is said — constituted the most important

**Martinelli**

manifestation of the determination of the Community and Yugoslavia not only to strengthen their relations on the economic and political levels but also to put them in a new perspective and give them new substance. At the time when this declaration was made, a five-year agreement between the two sides, signed in 1973, had been in force for three years and was due to remain valid until the end of September of this year. Talks on the new agreement were already under way 18 months previously, because the intention was to have it enter into force before expiry of the old one. The latter granted to Yugoslavia most-favoured-nation status as regards customs duties and levies of all kinds connected to imports and exports, various preferences for specific key categories of beef — baby beef — and, moreover, made provision for a 'development clause' under which economic cooperation could be extended to areas beyond trade relations in the light of the Community's economic development.

We have spoken about this development clause on many occasions, with, I may say, a great deal of hope and, at times, somewhat rhetorically; it has signified a change of spirit in our approach towards agreements — I am sorry that Mrs Dunwoody is not here, for I would repeat what she said on another subject — but so far this new spirit has not been accompanied by any change in practice.

The Belgrade Declaration — as the speaker for the Socialist Group has just pointed out — was aimed, as far as Yugoslavia was concerned, at reaffirming above all that Yugoslavia was a European, Mediterranean, developing and non-aligned country. It was clear, however, even at the time of the declaration, that although overall trade had indeed increased since entry into force of the 1973 agreement there had also been an increasing imbalance between Community and Yugoslav exports. This growth in trade, once all the figures had been added up, left Yugoslavia with an extremely serious balance-of-payments and trade deficit. Trade between the two sides, as Belgrade pointed out then, in December 1976, and repeats now, has not increased on the basis of the complementarity which exists between the two economies. While this complementarity has become somewhat less marked, because of the development in Yugoslavia of competitive industries, it still exists. As Belgrade has pointed out, however, there has not been enough effort by the two sides to exploit it, and the figures are very revealing. Mr De Clercq has gone into them in some detail: from 1973 to 1977 Community exports to Yugoslavia increased by 2 000 million units of account, whilst Yugoslav exports to the Community only increased by 500 million units of account. Now some of our statistics are in dollars and some are in units of account, and the unit of account, I would recall, is today equal to about 1.2 dollars. The trade deficit has thus increased; in 1977 it was about 2 200 million units of account, and it now constitutes the

largest part of the Yugoslav trade deficit. To put the possibilities of a new agreement into firm perspective, account should also be taken of the fact that 95 % of Community exports to Yugoslavia are industrial products, whilst 75 % of Yugoslavia's exports are industrial, the percentage of agricultural products, although still playing a major part, having fallen.

Another point needs to be made here, and is of major social importance: it is that Yugoslavia has a very high rate of unemployment: in 1976 it had reached 10.4 % of the working population, while for the first half of 1977 — and I have no more up-to-date figures — it affected some 700 000 workers, i.e., 15 % of the working population. In the light of the wider scope of the agreements concluded between the Community and other countries, particularly the Mediterranean countries, since 1973 — agreements which take the concept of economic and financial cooperation a great deal further — Yugoslavia has requested that the new agreement should include these new arrangements, whilst stressing its desire at the same time to maintain its status as a non-aligned country. Yugoslavia has earned this status: it gives it a particular rôle to play, a rôle as interlocutor in the North-South dialogue, a country actively encouraging the establishment of a new world economic order which will help meet the needs of the poorest countries. This point was highlighted particularly by Mr De Clercq in his remarks.

What Yugoslavia has basically asked for in the negotiations which began following the Belgrade meeting is the establishment at European level of relations based on equality between the two sides. This is of fundamental importance for us, because the strengthening of the Community's links with Yugoslavia will help underpin the latter's independence, stability and security and, by extension, that of Europe too. Moreover, Yugoslavia, which is, by virtue of its geographical position — and there can be no two ways about that — a Mediterranean country, cannot therefore be simply classified as an Eastern country, even if it does take part in some of the Comecon committees. It therefore wants the Community to adopt a one-of-its-kind approach in its relations with it.

This unique situation is reflected in the narrowness of the path which Yugoslavia has trodden in its foreign policy between one bloc and the other, placing it in a situation which is comparable neither with the countries of the East nor, of course, with us, but nevertheless enabling it to play an effective and able part in the liberal economy of the Community.

It is easy to understand the demand however, for preferential treatment of a different kind from that accorded to other countries at the very time that it is becoming apparent — this is my view and, I think, not only mine — that there is a real need to take a

**Martinelli**

completely fresh look at the entire content of the various agreements signed by the Community at one time or another with an eye to solidarity and stimulating economic and social development. New demands are always cropping up in the negotiations; there is an often simplistic expectation of more and more help from the Community; there is the view of the Community, economically so strong but not without its problems, as a kind of bottomless pit from which you can get everything you ask for; there are the inevitable inconsistencies between one agreement and another, calling for the adoption of rules which are as fair as possible and show no signs of favouritism. That, I think, is why the negotiations are taking so long; the months go by and, faced with the Yugoslav refusal to accept the preferences scheme, the Commission changes its positions; hence the broadening of the original proposals, not only because of the Yugoslav insistence on a new style of agreement with the Community which, in the Yugoslav view, will permit the establishment of long-term cooperation, but also because of Yugoslavia's untenable economic and financial position resulting from its growing trade deficit.

On the other hand, the question of special preferences raises serious legal, economic and political problems for the Community. The Community and Yugoslavia are members of GATT, which allows no exceptions for such preferences; and this is an extremely important legal objection. Furthermore, in the economic sector, there is a real danger that the common trade policy might be seriously disturbed by special measures laid down in individual cooperation agreements; and from the political viewpoint a special agreement of this kind would create a precedent to which any number of other of other countries could subsequently appeal. Iran, for example, has put forward a request along these lines, although the Community has so far not responded.

I will conclude by saying that we should understand that the complaints which Yugoslavia has already made that the Commission is acting without flexibility are, in the light of its expectations, justified and natural. So I ask, how close can the Community come in these negotiations to meeting the Yugoslav demands?

Well, I know that there is also the problem of reciprocity and that is something I do not wish to discuss now, but I would ask that the Yugoslav insistence — and I am coming to an end — on placing its trade relations with the Community on a footing of equality, stability and security should be taken as fully as possible into account. And if the Community — this is my final point — does not see its way clear at the moment to fully accepting these principles — and I believe that to be the case — it should at least show that it has done everything in its power to incorporate into the agreement with Yugoslavia the indications of goodwill and friendship which Yugoslavia seeks.

**President.** — I call Mr Bettiza to speak on behalf of the Liberal and Democratic Group.

**Mr Bettiza.** — (*I*) Mr President, I should like to say a few words not only on behalf of the Liberal and Democratic Group, but also as a member of the delegation which accompanied President Colombo to Yugoslavia at the beginning of the year, and as a member and rapporteur of the European Parliament delegation which paid a seven-day visit to Yugoslavia in September and October.

Permit me briefly to stress the efficacy and clarity of Mr De Clerq's report, with which I agree on most points, above all on the final part emphasizing the inadequacy of parliamentary control in the field of external economic relations and calling for specific consultation to ensure that Parliament can exercise its powers in this sector.

This point is particularly important in the case of the cooperation agreement with Yugoslavia which has now been submitted for our consideration and which, if we had more time, might prompt us to make several bitter observations on the way in which Community affairs are managed at the highest level. But let the facts speak for themselves.

At the beginning of the summer, the Council gave a formal undertaking, published in a press release, to submit new proposals for the cooperation agreement with Yugoslavia which would take due account of the Belgrade declaration of 2 December 1976. To this end, the Council authorized the Commission to amend the previous proposals. Shortly afterwards, the Commission submitted amended proposals which generally reflected the Council's undertaking. The Council was due to reach a decision on 18 October and with this in mind, President Colombo, who had met Marshal Tito at the beginning of this year, forwarded a memorandum to Mr Von Dohnanyi to inform him of the European Parliament's concern.

The postponement of that decision — which, I am prepared to believe, is due to technical reasons — has provoked an extremely unfavourable reaction among the Yugoslav people and their political leaders, who had placed great hopes in cooperation with the Community. I would point out that the members of the delegation which met the Yugoslav parliamentary delegations and promised to put pressure on our principal organ, the Commission and the Council, to ensure that the agreement was renewed by the date indicated, have been placed in an unenviable position by this vacillation. It appears paradoxical that, while the Community notes the conclusion of the North-South dialogue and is extending relations with developing countries in Africa, the Caribbean and the Pacific, it should sometimes fail to show similar interest in European and even Mediterranean states with which it has a common frontier and a wealth of common interests.

**Bettiza**

The urgent need to offer more favourable conditions to Yugoslavia is confirmed — and this point has been made by Mr De Clercq, Mr Radoux and Mr Martinelli — by the unacceptable level of Yugoslavia's balance of payments deficit vis-à-vis the Community. Mr Martinelli spoke of 2 200 million EUA, and other sources even produced the figure of 2 500 million dollars in 1977. Believe me — and all those who had the opportunity of speaking with the Yugoslavs during our visit will know this — when I say that this figure represents a nightmare for Yugoslavia.

I believe the Community should be wary of drawing on the fund of prestige which it has built up in recent years, even in non-aligned and neutral countries such as Yugoslavia. I believe that, as far as Yugoslavia is concerned, the greatest economic constellation in the world, which is what we represent, is faced with two dangers: the first is the trade threat symbolized by the dynamism of American and Japanese companies, which for some time have been very active in Yugoslavia; the second is a threat which is both economic and political, and is therefore even more serious, and is represented by Comecon or, if you prefer, the Warsaw Pact, to which Comecon is linked.

I shall not dwell any longer on that aspect of the matter. In conclusion, I am concerned about two points: first of all, the Liberal and Democratic Group — which attaches considerable importance to the question of Yugoslavia — hopes that the date, 1 January, envisaged for the entry into force of the cooperation agreement between the Community and Yugoslavia will be fully complied with. In this connection, I have asked the rapporteur, Mr De Clercq — who has given his agreement — to table with me, on behalf of the Liberal and Democratic Group, a question, with debate, to the Council of Ministers for the December part-session in the event of further delay in concluding the negotiations for the renewal of the agreement between the Community and Yugoslavia. My second concern, or hope, is that permanent institutional relations should be created between the European Parliament and the Federal Parliament of Yugoslavia — on the lines of those already existing with Spain, Portugal, America and Israel — to ensure that we never lose sight of the political aspects of the Community's external relations, a sector in which the commercial, bureaucratic and technical implications are too often given precedence over the real value and political significance of things.

**President.** — I call Mr Galuzzi to speak on behalf of the Communist and Allies Group.

**Mr Guzzi.** — (I) Mr President, I expect my speech to extremely brief, one reason being that, because of his engagements, Mr Haferkamp has asked us for a rapid debate.

Our group will vote in favour of the interim report by Mr De Clercq, as we support the arguments put

forward and, in general, its conclusions. I wish to stress — as other colleagues have already done — the need not only to fulfill our commitments but also to ensure that this important problem of the Community's relations with Yugoslavia is viewed, particularly by the Council, in its proper perspective. Our view is that the political importance of relations between the European Economic Community and Yugoslavia have been under-estimated. Yugoslavia is not only a non-aligned country; it is a socialist country which has as much prestige and influence in Moscow as in Peking; it is a country which — as others have pointed out — acts as a bridge in the Mediterranean and so has a vital part to play in the future development of Community policy, above all as regards enlargement, not only from a political and economic point of view, but also in terms of supplies and communications.

The economic and political stability of Yugoslavia, its international rôle and potential and development possibilities together represent a key factor for the development of Community policy. I appreciate that legal and economic problems will emerge in this connection, but I wish to emphasize that we are faced with a problem of especial political importance for the basic political approach underlying the European Economic Community. There is talk of efforts to project the EEC into the Third World: it is impossible to deal with that question or put that policy into practice without a proper assessment of this small country's political, psychological and economic significance for the future of the EEC.

I therefore wish to make a further appeal that commitments should be fulfilled and promises kept, and I emphasize once again, to the Commission among others, the political importance, of relations with Yugoslavia for the entire economic, commercial and political strategy of the Community. In addition, I am firmly convinced that Yugoslavia's requests can be met by the Commission and the Council.

**What is Yugoslavia asking for?** It wants to maintain its present status — and that is in the Community's interests — and it wants to put an end to the dramatic situation of its trade deficit. If we take account of the fact, which Mr Bettiza pointed out, that trade between the Community and Yugoslavia accounts for 0.3 % of total Community trade, it is clear that the accommodation of Yugoslavia's requests in this sector would not represent a serious problem for the EEC.

Yugoslavia seeks cooperation, investment, energy and Community financial aid. It has already been said that there is a danger that the Community will be overtaken here by other leading Western Countries such as the United States and Japan. The Yugoslavs themselves regret that the EEC grants them less favourable treatment than it does to other socialist countries in

**Guzzi**

Comecon. Yugoslavia is asking for help to solve the problem of migrant workers. This is another key issue for the stability of this country, and, I would add, for the possibility of democratic development and democratic stability in the Community itself.

I therefore believe that we must not only comply with the agreements entered into, but must change our approach on the basis of a proper political assessment of the importance of this problem. I would add that, as regards the question of the free zone, I have noted a certain discrepancy between Mr De Clercq's speech and the report. However, any proposal to challenge the actions of the Italian Government should be firmly rejected. In our view, such an attitude would have no basis in the Community Treaties, and would be politically unsound.

**President.** — I call Mr Rivierez to speak on behalf of the Group of European Progressive Democrats.

**Mr Rivierez.** — (*F*) Mr President, at this late hour you may be sure that I shall be brief. In any case, everything has already been said, and well said, and almost all the group spokesmen whom we have heard have agreed that the Commission and the Council should be asked to take a broad view in the negotiations with Yugoslavia. We were brought into intimate contact with the situation when we visited the Yugoslav Parliament in September. We were struck by the disillusionment of the Yugoslavs, who had attached fundamental importance to the Belgrade declaration of 1976: this was recalled in 1978, when President Tito visited President Colombo here. They had been expecting that the negotiations would proceed rapidly and that their requests would be taken into account. This disillusionment was also to be seen in their statements concerning the intervention of other states in Yugoslavia, particularly the United States and Japan. We learnt that the Americans and the Japanese were investing big sums, that there were joint Japanese-Yugoslav and American-Yugoslav industrial projects, and the Yugoslavs expressed surprise that there were so few Euro-Yugoslav industrial undertakings in their country. They were also surprised that their country, which indeed sets an example for the Socialist countries and where one has a genuine impression of liberty, hard work and liberalism, should be subjected to discrimination with regard to export credits and be obliged to pay for these credits on dearer terms than other countries of Eastern Europe. Hence their demand for an agreement *sui generis* with the Community which should take account of their country's international situation. You are aware that Yugoslavia — and the world stands to gain from it — is one of the leading non-aligned countries and that it is determined to remain an example for the rest of the world in this respect. Consequently, it reproaches us with paying too little

heed to this situation in negotiating the agreement that has been asked for. It must not be forgotten that, if she had wanted, Yugoslavia, as a Mediterranean country, would have had everything that we granted, for example, to Algeria. All she had to do was to ask for it; but she did not want to, in order not to have a preferential agreement capable of prejudicing her international situation.

There is therefore a contradiction. Yugoslavia can have anything and everything she asks for; all she has to do is to accept a preferential agreement: but this she does not want, since it would make her appear as the member of a bloc, even if it be such an inoffensive one as the Community. We have therefore got to show some imagination and give her what she desires, i.e., separate agreements for her industry and her food products and also financial agreements, of which very little has been said during this sitting. We have got to find a way, and on this point, the conditions governing the negotiations, I am obliged, Gaullist as I am, to refer to what has been said — and well said — by our Socialist colleague Radoux. Everything in Mr Radoux's speech was well formulated as regards the conditions governing the negotiations and their object. I quite realize that, with regard to the special agreements, one may come up against difficulties arising from the legal provisions of GATT. On the other hand, Yugoslavia's desire to benefit from the generalized preferences brings you up against the Community's own rules. There are therefore a number of legal difficulties to overcome, and that is why we, too, say that the Community must show some imagination, as it has already done on a number of other occasions. All we need is the political will — and we must have the political will to help Yugoslavia develop, because it is we she chooses as a preferential, privileged partner: we have the greatest volume of trade with Yugoslavia. We must help her because this privileged place must not be occupied by others. I read recently that the EFTA states are now maintaining very close contacts with Yugoslavia and, in particular, are granting her big loans. I have also read that Japan is going to make considerable sums available and is making big investments in Yugoslavia.

Consequently, on the international, not only political but also economic plane, on which the democracies have the duty to help Yugoslavia's efforts, we, the Community, must make a big effort: we must go a long way in these negotiations, we must be generous with preferences. All this we owe to Yugoslavia by way of respect for her concern — which does her credit — to retain her independence and her leadership of the non-aligned countries.

Mr President, it is a great pleasure for me to associate myself with everything that has been written and said by Mr De Clercq. May I congratulate him and say that

**Rivierez**

the group I have the honour to represent will be giving his report its wholehearted support.

**President.** — I call Mr Edwards to speak on behalf of the Socialist Group.

**Mr Edwards.** — Mr President, I make no apologies, for entering this debate even at this late hour, because I believe this debate of very considerable political importance.

From time to time this Parliament and the Commission and, I hope, the Council of Ministers get down to making political decisions. If ever there was a need to make a political decision, it is on this question of our relations with Yugoslavia. We should not be bogged down by pettifogging on questions of maize, wine, meat and barley. Let us be big enough to say we want this country to be part of and linked with our Community. These little vested interests are peanuts when compared with the political consequences of Yugoslavia getting frustrated and disgusted with us because of the long delays and then moving away from us.

The cost of such a decision to move away from us would be enormous when compared with the small price we have to pay. The very least we can do is to allow their meat into Europe. After all, they have put a lot of money into their meat industry, and yet we try to create excuses by talking about health and all these things, just to cause delay. We raise pretexts about their wine; at the very least let their wine and their meat come in without restriction.

Let us welcome these people into association with our Community. We must not frustrate this country, this hardworking people with their social problems that we do really understand, such as large-scale unemployment and lack of natural resources. They are making the very best use of their natural resources. They have created a new kind of society which is unique, with massive working-class participation which is being studied by many countries throughout the world. Maybe it is the answer to some of our problems of industrial democracy. At least we can learn a lot from them. We need to keep them, in the circle of our Community.

Now the Socialist Group has ten minutes more of time, but I am not going to use the ten minutes, I will close now, begging the Commission to press the Council of Ministers on this occasion to make an important political decision and sweep away the petty restrictions we are putting in the path of a solid agreement with Yugoslavia.

**President.** — I call Mr Haferkamp.

**Mr Haferkamp, Vice-President of the Commission.** — (D) Mr President, I thank Parliament for this debate. I thank Parliament for the report and its interest in Yugoslavia, which is evident both from the

report and the debate and from the visit of the parliamentary delegation to Yugoslavia. We from the Commission take that as encouragement and support for the work which we have been doing for more than a year on this question.

The different stages of this work have been described in the debate. I am glad that the economic significance has been made clear, but I am also especially glad that Members' remarks have not been confined to the economic aspects, but have clearly indicated the political aspects too. Speakers have referred to the Belgrade Declaration of December 1976, and this was indeed the starting-point and basis for the present negotiations. We have heard a great deal about Yugoslavia's anxiety regarding the persistent imbalance in its trade with the Community. Members will remember a number of debates in this House on the balance of trade between Japan and the Community, I hope very much that those who urged us at that time to adopt a hard line *vis-à-vis* Japan because the Community was in deficit — to the tune of 5 000 million dollars — in its trade with Japan will remember the figures which have been quoted today in connection with Yugoslavia. This year Yugoslavia has a deficit of almost 3 000 million in its trade with this large Community. We should see things in perspective and realize that our Yugoslav partners can use the same arguments against us — as indeed they are doing — which we use against a country such as Japan which has a large surplus in its balance of trade with the Community; that means that we regard it as an important task to establish in the trade policy field, through the new agreement, appropriate means for improving this balance. We have made it clear that we cannot transform the existing imbalance overnight. It cannot be some sort of instantaneous process — that is clearly understood too by the Yugoslavs — but we must alter the trend. We must ensure that the situation improves in the long run so that there is a better balance.

Here I should like especially to refer to paragraph 11 in the explanatory statement of the report, which points out — as has been done in the debate too — what might happen if we failed to take such action, for there are other ways in which Yugoslavia could restore its balance of trade i.e. by buying fewer goods from us. I do not know whether that would be a good thing for us. Those who — as the last speaker said — talk big about what should be done but then when it comes to the point start pettifogging ought to think about this. We are just now in the middle of discussions by the experts on products such as wine, morel cherries, textiles and others, and I should like to ask Members to support us on this in their national parliaments so that the fine-sounding statements of intent don't become null and void when it comes to putting them into effect. I mean that we have to assert our

**Haferkamp**

political will over the experts from the capitals and I hope that we can count on your support.

I am sure that the discussions which are going on in the Council at the moment on the new directives for negotiations are being conducted in the political spirit that we have been hearing about this evening. Apart from the trade-policy matters, which are of course important, we want to achieve closer cooperation in an increasing number of fields of mutual interest. These are — as has been said — Social matters, financial matters and all kinds of cooperation. This is what the Commission is aiming at with its directive on the continuation of the negotiations.

We are glad that a delegation from Parliament has been in Belgrade. We have not actually, as yet, included in our proposal specific suggestions regarding cooperation between the Yugoslav parliament and this Parliament, because we wanted to hear Parliament's view first. This evening it has been expressly stated that you wish to have an appropriate institutional framework for your cooperation and, if the motion which has been tabled is adopted by the House, it will constitute a formal expression of that wish. I think this should be taken into account.

Once again, I should like to thank the House for supporting us in this important matter. We are expecting the Council to enable us to conduct the negotiations in such a way that they can be concluded quickly, and we shall certainly make quite a lot of progress in the Council meeting on 21 November. Whether it can actually be completed down to the last detail I don't know. However, I can assure you that the Council presidency, the Members of the Council and the Commission itself are determined to push on with this matter and to conclude it with all possible speed.

**President.** — I note that no one else wishes to speak. The motion for a resolution will be put to the vote tomorrow during voting-time.

The debate is closed.

### 15. *Export earnings of copper-producers*

**President.** — The next item is the oral question, with debate, by Sir Brandon Rhys Williams, Mr Berkhouwer, Mr Deschamps, Mr Kaspereit, Mr Pisani, Mr Spinelli and Mr Stetter to the Commission on the export earnings of copper-producers (Doc. 423/78):

In view of the international significance of the market for copper and its importance in the economies of certain ACP member states:

1. Will the Commission give urgent consideration to the problems arising from the fluctuations in the price of copper of recent years, and to the particular difficulties of marginal producers?
2. Though recognizing the evident difficulty of extending the Stabex scheme to cover the major minerals entering

world trade, does the Commission acknowledge the obvious desirability of helping states adhering to the Lomé Convention to stabilize their earnings of EEC currencies?

3. Will the Commission immediately begin joint studies with the ACP countries mainly dependent on copper exports to draw up a scheme for copper producers comparable to, though separate from, the Stabex system?

I call Sir Brandon.

**Sir Brandon Rhys Williams.** — Mr President, in raising my oral question, with debate, on the problematical subject of the export earnings of copper producers, I am joined by eminent colleagues from the Liberal, Conservative, Progressive European Democrat, Christian-Democratic, Socialist and Communist groups. All shades of opinion in this Parliament are deeply concerned to hear from the Commission what contribution the EEC will make to the resolution of the problems arising from the fluctuations of recent years in the price of copper. As a vice-chairman of the Economic and Monetary Affairs Committee, I am not seeking to draw attention to political issues or to recommend initiatives of a political character. This debate is highly topical, however, because of current developments, some of which give reason for hope while others must cause particular concern.

The success of the measures which followed the Lomé Convention of 1975 give us valid grounds for hope, and this Parliament is ambitious for the renewal of the Convention, which is now under active discussion. We feel that the Community can take pride in the achievements, though admittedly rather limited, of the Stabex system, under which those countries which are heavily dependent for their earnings of EEC currencies on markets which are highly liable to fluctuate can look to the Community for assistance which will enable them to maintain a steady level of spending. This form of aid enables countries otherwise at the mercy of market forces to maintain a level and predictable rate of spending on imports, but also, in particular, to plan a rational development and investment programme without incurring the risk of default through the vagaries of supply and demand. It is good for raw material producers, because it brings them the confidence and stability which are essential for healthy economic growth; and it is good for the European Economic Community, because it provides us with steady and reliable trading partners.

Unfortunately, the Stabex system has not only been limited in effect so far because of shortage of funds; it suffers from inevitable restrictions in its practical field of application because of the very varied nature of the world's commodity markets. In its opening phase, it was found impossible to extend it to metal products except to iron ore. The world market for copper is so large and so imperfect that the Stabex concept can only be applicable if it is specially adapted.

**Rhys Williams**

But let there be no doubt of the need for a generous initiative by the Community towards those states adhering to the Lomé Convention which are significantly dependent on copper for their earnings of foreign exchange — primarily Zambia, Zaire, Papua/New Guinea and, to a smaller extent, Botswana. These are among the poorest countries of the world. Their economies have been cruelly shaken by the fall in world copper prices, which are probably now substantially below the true cost of production everywhere, if proper allowance is made for the rapid rise in the cost of prudent, further exploration and essential new development and investment in the industry. For the four main copper-producing states of the Lomé Convention, the changes in copper-export earnings from year to year may well amount to hundreds of millions of dollars. This is insupportable. Their weak economies cannot bear the uncertainty and deprivation involved. But the fluctuation in their customers' purchasing-power is also very bad for our exporters, resulting in the postponement of valuable overseas contracts and acute uncertainties over their foreign consignees' buying policy and ability to pay.

The shifting volume of trade is not the only problem for the European Community. We must also consider the vital importance of continuity in our copper supplies. At the moment, there are large stocks hanging over a depressed market; but authoritative assessments of the years ahead give rise to very real fears of another copper shortage, with the likelihood that, in five years of less, demand will have overtaken supply and prices may well have doubled. An essential raw material for the production of goods in everyday use by millions of the Community's citizens, a raw material vital to industries employing hundreds of thousands of our workers, is seriously at risk.

This is a world problem, and efforts are being made in various ways, notably under the aegis of UNCTAD, to overcome the immediate, urgent difficulties of the copper producers and the likelihood of returning shortages. We have also seen reports of the Copper Loan Scheme, deriving from the initiative of the International Wrought-Copper Council, which clearly deserve serious attention.

The European Parliament is not seeking any move to 'go it alone' within the Lomé Convention. That would almost certainly be futile. What this Parliament requires is the assurance that the Commission has accepted the urgent need for action for sound economic and humanitarian reasons; that it is addressing itself to the problems of the Lomé Convention copper-producers with particular sympathy, comprehension, urgency and determination; that it is fully mindful of the need to assure producers and consumers of copper — as well as the people in ACP states who need our goods and the producers in the Community who need their markets — of stable, prof-

itable trading relationships; and, for the longer future, that it accepts responsibility for the joint creation by the EEC and the ACP copper-producing states of a rich and varied economic system — a co-prosperity area not wholly dependent on market booms and slumps affecting a single product, but a successful zone of decent and rising living standards broadly based on sound investment and established, widely developed, regular exchanges of services and goods. The Joint Centre for Industrial Development, created under the Lomé Convention, is surely the appropriate body to attend to that. We are not calling in this debate for a gesture to raise the world copper price: that would be entirely contrary to the Stabex concept, and would be unlikely to achieve any very useful purpose. Nor are we calling for the creation of a huge, inflationary line of credit unmatched by a rise in production: our partner states are crying out for the very goods which we could easily produce from our huge reserves of unused capacity, and have ample facilities to help them to use. What we expect from the Commission is a realistic initiative which will give confidence to these desperately poor producers of copper that, if they put their trust in the Community, their economic future will be bright.

**President.** — I call Mr Cheysson.

**Mr Cheysson, Member of the Commission.** — (F) Mr President, the Commission is grateful to Sir Brandon Rhys Williams and his colleagues from the other five political groups for having made possible this cosy little discussion on the problems raised by fluctuations in copper prices.

The Commission has long since expressed its concern at these fluctuations, which, in fact, are very considerable and for some countries, unfortunately some of the poorest, have formidable consequences. These consequences are no less formidable for the progress of investments, which, as Sir Brandon very rightly pointed out just now, because of these fluctuations cannot be carried out with sufficient continuity or planning.

The real solution, of course, would be to achieve a stabilization, or rather a 'predictability' of the copper market at the world level, for it is inconceivable that bilateral agreements between two regions which fixed both prices and quantities should be capable of making developments on this market predictable.

The situation on the world copper market must be covered in the normal way during discussions in UNCTAD, and, as you are aware, an UNCTAD committee is attempting to deal with the copper situation. The Commission submitted a proposal in July 1977, but the discussions are making only slow progress.

Pending a full discussion of these problems in all their aspects, we cannot afford — and on this point



**Cheysson**

the Commission agrees with the six political groups which have tabled this oral question — to ignore the effects of these fluctuations on the countries concerned, which are among the poorest countries of the world and whose resources are seriously affected, or on the employment situation if outlet problems or unsatisfactory market situations make it impossible to maintain the rhythm of production, as has happened from time to time.

Should we therefore extend the system of stabilizing export revenues to copper? You will be aware, Mr President, that that was the ideal of my predecessor when he originally proposed the Stabex system. This view was subsequently abandoned, because it became apparent that copper, like other ores raises problems which make it difficult to apply the Stabex system. The first is that for most ores, including copper, there is no uniform price on the market at any particular moment. The second is that sales of copper are normally carried out within integrated markets, where the terminal is generally in the vicinity of the multinational firms: obviously, we are not anxious to see the Stabex system diverted from its proper aim, which is to serve the workers in associated countries and their governments.

I would add — though Sir Brandon has already made the point very clear — that the inclusion of copper in the Stabex system would throw the cost of this system out of balance, since copper alone would mean an expenditure — or, at any rate, the provision of funds to cover an expenditure — of the same order as for all the other countries taken together. Three ACP countries would then be taking more than half of the Stabex funds!

We must therefore, as the oral question clearly recognizes, look for a special solution, paying due attention to the difficulties which an extension of the Stabex system would undoubtedly raise. Must we work out a scheme separate from the Stabex system, as suggested in the third point of the question? Undoubtedly we must think about this and be prepared to submit a proposal. I ask the honourable Member to accept this statement on behalf of the Commission and not to insist on any further explanations for the moment: we are, in fact, in the middle of negotiations and it would be improper *vis-à-vis* our negotiating partners and even more so *vis-à-vis* the Member States of the Community, who have not yet given us a mandate to speak on this subject, to state the Commission's views right now. All I can tell you is that we are bearing this in mind and are looking for formulae which may resolve the problem raised by Sir Brandon and to some extent reassure our partners with regard to the stability of governmental revenues, particularly in foreign currencies, and with regard to the stability of employment despite the fluctuations that copper prices may undergo.

In passing, I would remark that, for my part, in contrast to the honourable Member, I fail to see what the Joint Centre for Industrial Development has to do with this matter: its function is connected with the relations between small and medium-sized undertakings, and we can hardly conceive of its occupying itself with ore. But that is only a detail in comparison with the general approach, on which I can assure you that we shall be prepared to make proposals at a suitable moment in the negotiations — that is to say, during the next few weeks or, at the latest, during the coming two or three months.

**President.** — I call Sir Brandon.

**Sir Brandon Rhys Williams.** — I would like briefly to thank Mr Cheysson for his helpful and encouraging reply. This is an area where it is easy to be pessimistic. It is easy to look at the collapsing economies of the copper producers and feel that there is little that the developed countries can do except look on in despair. But pessimism is a crime which it is not our business to commit, and I believe that there is no reason why, with prescience and comprehension of the particular difficulties of the copper-producers, each of them with their own special problems, we should not achieve success.

I mention the possibilities of industrial development because I think, in the long run, what we are trying to do is not simply to stabilize the earnings of the copper-producers from their main export product but to bring them the benefits of a diversified economy, thereby diminishing the importance of copper in their total export effort. That is why I feel that, in addition to offering lines of credit which will enable investment in infrastructure and necessary industrial and economic projects to go ahead, and helping to supply consumer goods which we can easily make and which are so desperately needed by these very poor countries, we need to give them the technical support which will enable them to create, with us, a co-prosperity area. This must surely be the long-term aim of the Lomé Convention, and Parliament demands that the Commission should pursue that aim with unflinching determination and a generous spirit.

I believe we can look to Mr Cheysson to provide exactly the degree of acumen and determination which the situation requires. He has indeed a world rôle, and we wish him well with it.

**President.** — The debate is closed.

#### 16. Urgent procedure

**President.** — I have received the following requests for urgent procedure pursuant to Rule 14 of the Rules of Procedure:

— motion for a resolution tabled by Mr Klepsch, Mr Ryan and Mr Granelli, on behalf of the Christian-

**President**

Democratic Group (EPP), on the expulsion from Malta of Mr van Hassel (Doc. 444/78), the reason given being the duty of the European Parliament to state clearly the need for freedom of expression in a country linked with the Community by an association agreement.

- motion for a resolution tabled by Mr Müller-Hermann, on behalf of the Christian-Democratic Group (EPP), on the situation in the iron-and-steel industry (Doc. 446/78), the reason given being the desirability of dealing with this motion following the statement to be made on this subject by the Commission on Tuesday.

The vote on these requests will be taken at the beginning of tomorrow's sitting.

*17. Agenda for the next sitting*

**President.** — The next sitting will take place tomorrow, Tuesday, 14 November 1978, at 10 a.m. and 3 p.m., with the following agenda :

- Decision on the urgency of two consultations and three motions for resolutions ;

- Veronesi report on thermal water reactors ;
- Berkhouwer report on the Jewish community in the Soviet Union ;
- Oral question, with debate, to the Commission, on technical barriers to trade ;
- Commission statement on the situation in the iron-and-steel sector ;
- Oral question, with debate, to the Commission, on ore supplies ;
- Commission statement on the Tripartite Conference ;
- Ney report on medical research and public health ;
- Squarcialupi report on the protection of ground-water ;
- Cassanmagnago Cerretti report on research and development in the environmental field ;

*3 p.m. :*

- Question Time (questions to the Commission)

*3.45 p.m. :*

- Voting-time.

**The sitting is closed.**

*(The sitting was closed at 9.40 p.m.)*

## ANNEX I

*Action taken by the Commission on opinions of the European Parliament adopted during the October 1978 part-session*

1. During its October part-session, the European Parliament adopted 16 opinions on Commission proposals to the Council. In 12 cases, Parliament approved the Commission proposals. The list of these opinions is given in parliamentary paper EP 55671.
2. In four cases, Parliament proposed amendments to the Commission proposals. During the debate the Commission explained why it wanted to preserve its proposals, in connection with Mr Pisoni's report on *combatting illegal migration and illegal employment* and Mr Albers' report on the *Community quota for the carriage of goods by road between Member States*.
3. The Commission accepted the parliamentary amendments set out in two reports :
  - (i) The Commission endorsed the amendment in Mr Ansquer's report concerning a *decision introducing Community rules in respect of Member States' aids and action to assist the iron-and-steel industry*. Article 8 was incorporated into an amended text, which has already been submitted to the Council.
  - (ii) The Commission also endorsed the amendment in Mrs Dunwoody's report concerning a *decision adopting joint research programmes and programmes for coordinating agricultural research*. Article 4 was taken from a proposal, amended on the basis of the second paragraph of Article 149 of the EEC Treaty, which had been presented to the Council and sent for information purposes to the European Parliament.

## ANNEX II

*Speech of welcome by Mr Colombo, President of the European Parliament, on the occasion of the official visit of the President of the Portuguese Republic, H.E. Antonio dos Santos Ramalho Eanes.*

In welcoming to our Assembly Antonio dos Santos Ramalho Eanes, President of the Portuguese Republic, we welcome, not only the supreme authority of the ancient and noble Portuguese nation, to which we owe some of the most illustrious achievements in the history of our Continent, but also the representative of the new Portuguese democracy, of which you, Mr President, are both the trustee and the symbol.

We are delighted to receive you in this Parliament, in which, in a few months' time, the directly-elected representatives of the peoples of the nine Member States will be assembling.

We know of your diligent efforts to secure your country's accession to the Community. Parliament, for its part, has repeatedly declared its support for the enlargement of the Community, and we therefore look forward with keen anticipation to the day when we can welcome our Portuguese colleagues here in our midst.

In inviting you to address our Assembly, I take the opportunity to express our deepest thanks for your visit here today, for it is an occasion of truly historic importance for the Institutions of the Community.

*(Loud applause)*

*Speech by H.E. Antonio dos Santos Ramalho Eanes, President of the Portuguese Republic*

Mr President, by your kind invitation you not only honour my country but also give me the privilege of addressing this august Assembly on the eve of the first elections by direct universal suffrage.

I underline this fact because the election of the European Parliament is a historic step in the process of European unification, which has hitherto moved forward chiefly on the strength of agreements between States. Direct suffrage will now give the citizens of Europe a democratic voice in that process. It will also mark the accomplishment of one of the objectives of the Treaty of Rome, namely 'to lay the foundations of an ever closer union among the peoples of Europe', at the same time strengthening the electorate's awareness of their connection with a European political entity. Most important of all, direct universal suffrage will lend Parliament, as the direct representative of the peoples of Europe and within the limits of the powers assigned to it, the legitimacy it needs to tackle all the

problems and difficulties and to meet all the hopes and expectations bound up with the construction of a united, strong and democratic Europe.

Familiar as I am with your efforts to hasten that day, which will be a major landmark in the history of Europe, I believe that our meeting here today augurs well for relations between the European Parliament and my country. As the first Portuguese President for over half a century to be directly elected by democratic suffrage, I bear witness by my presence to our commitment to pluralist democracy, without which European integration cannot advance. My presence reflects also the high regard in which we hold this House.

I wish, moreover, to assure you of the support of the parliamentary majority in my country for the full integration of Portugal in the European Communities. Especially strong backing for European integration is found among our politicians and intellectuals, who, during the Salazar dictatorship, saw in democratic Europe an example and a model and looked to it for that solidarity which helped to sustain their belief in a free and democratic future.

Mr President, ladies and gentlemen, the construction of Europe is a deliberate and wise undertaking. It does not stem merely from common sentiments, nor is it confined to an assessment of economic and financial advantages and disadvantages. What we seek is to establish a coherence between political practice and our awareness of the common values and destinies which bind us together as Europeans. We want to restore balance to Europe's creative genius and prevent our continent from tearing itself asunder through selfish attitudes incompatible with the present character of its relations with the rest of the world. We want to bring out Europe's potential for mutual assistance, and restore the order which was so nearly destroyed when misguided ambition sought to harness the energies of its peoples in the service of expansionism.

Although not all difficulties have been overcome, it is already plain today that the Communities have developed a solidarity from which Europe as a whole derives benefit. The Community has shown that Europe, hemmed in between the superpowers, threatened by its own internal tensions, inherently fragmented and divided still by mistrust, is nevertheless capable of uniting in order to overcome the difficult problems in its path by establishing a system of cooperation that safeguards the culture and liberty of its nations and yet resolutely seeks to cure ills as they arise, by seeking to remedy the political and economic causes. The secret of the success achieved lies simply in the nations themselves, in their awareness and in their resolve.

Mr President, ladies and gentlemen, following the political changes which took place in Portugal in April 1974, the restoration of pluralist democracy and the completion of decolonization opened the way to new developments in relations between my country and the Community. The soundness of the Community's analysis of the political situation in Portugal, demonstrated in a practical manner by the granting of exceptional emergency aid, made it possible to extend the scope of the 1972 agreement to cover industrial, technological and financial cooperation as well as social and employment problems affecting Portuguese citizens already resident in Community countries.

It was the first constitutional government of Portugal which, placing full reliance on its democratic legitimacy, took the historic decision to reaffirm my country's political destiny by applying for membership of the Community. No other decision would have been politically and institutionally consonant with our profound and irreversible commitment to democracy.

Portugal's position was in fact quite clear: it based its decision on historical and cultural considerations which make it an integral part of Europe, as well as on political and economic considerations connected with the consolidation of democracy in southern Europe, not to mention its right as a democratic European country to take part in the decision-making machinery which will largely determine its future.

We are also firmly convinced of the historical necessity of the enlargement of the Community, which, in our view, will never fully satisfy aspirations to European integration until it embraces all countries which geographically, culturally, economically and philosophically belong to Western Europe.

That is why we have welcomed the Community decisions which led in October to the opening of negotiations on Portugal's accession. In our view, these decisions reflect the political will to underpin the applicant countries' commitment to democracy and Europe, a commitment that is to result in the Community's enlargement towards the south. We also believe that by these decisions the Community has demonstrated its determination to pursue the progressive construction of Europe.

For us, at any event, accession represents an enormous challenge, for we are aware that, despite all the advantages, we shall also be assuming heavy obligations. The Portuguese economy remains very much dependent on outside markets and, in particular, on European markets. No one realistically foresees this situation changing substantially in the short term as far as external dependence is concerned. While understanding the misgivings voiced by the Member States of the Community about some of the implications of enlargement, we feel sure nevertheless that the accession of Portugal will not entail major problems for the Community economy as a whole.

It is clear to us, however, that reducing the economic disparities between Portugal and the developed Community countries will require an exceptional effort on the part of the entire Portuguese people, even though, in accordance with our wishes, the existing Community is actively helping to speed up our rate of development.

On the other hand, while aware of the economic challenge that awaits us, we regard the political gain as essential — the full integration of my country into the Community, which will help to strengthen the future cohesion of Europe and will, for the first time, make it possible to define its frontiers correctly: Europe will regain the dimension foreshadowed in the Treaty of Rome, which proclaimed itself to be an open treaty.

Mr President, ladies and gentlemen, having abandoned once and for all the myths of empire and plans of expansion, Europe cannot reject its world vocation. The European idea is indispensable to the survival of Europe as an independent and prominent force in the system of international relations. Only European integration will make it possible to take up a political and economic position compatible with a policy of independence and non-subordination to plans of world hegemony, while permitting Europe to play a new international rôle as a factor making for solidarity in North-South relations and for the relaxation of tension throughout the world. With enlargement, the Community will strengthen its geopolitical, sociological, economic and political equilibrium and, at the same time, broaden its scope for dialogue with the rest of the world.

You know my country's past and recent history and the contribution we have made both to opening up Europe towards the world and to bringing European civilization to other continents. Now that relations with the Portuguese-speaking African countries have been established on a new footing and on the basis of absolute respect for each of these countries' sovereignty and individuality, Portugal feels in a position to help develop the dialogue between the European Community and these new nations.

Mr President, during the period of our accession, our resolve to uphold an irreversible European commitment will be thwarted neither by the existence of hostile viewpoints nor by reactionary pressure groups — in our country and in others — opposed to Portuguese membership. We take the view that surrender to these groups would destroy the credibility, not only of the enlargement of the Community, but also of the European idea.

Moreover, if the political impetus that has already been set in motion were, by chance, to be halted, a return pure and simple to the *status quo ante* would no longer be possible. Quite on the contrary, such a setback would have serious political implications both for the applicant countries and for the Community as a whole. This analysis of the situation seems to have the support of the majority of the political parties in Europe, irrespective of their differences of opinion or ideological complexion, and this is in itself a positive and encouraging sign.

Mr President, ladies and gentlemen, Portugal considers the presence of more than one-tenth of its population in the countries of the Community as a positive contribution to one of the prime objectives laid down in the preamble to the Treaty of Rome — closer union among the peoples of Europe. We regard their presence and their right to remain in the host country even during the present general economic crisis as clear confirmation of the strength of Community principles and the trend of social philosophy within the Community.

Portuguese emigrants, whose capacity for work is generally admired, certainly try to integrate themselves into the societies that receive them and are perhaps better able than most to make themselves at home anywhere. The benefits they receive when in need and the rules of social justice that will undoubtedly continue to guide the action of the Member States towards them confirm the Community's adherence to the principle of attaching 'as much importance to vigorous action in the social field as to the achievement of the economic and monetary union', set out in the declaration of the Heads of State or Government at the Paris Summit Conference in October 1972.

Mr President, ladies and gentlemen, some people feel that the progress of European unification is too slow. One problem that will have to be resolved in preparation for enlargement is how to adapt the functioning of the institutions. Who, twenty years ago, would have had the nerve to predict the present state of the Community structures, considering the pessimism with which the prophetic vision of Churchill and the determination of Monnet and Schumann were received?

It will be up to history, not us, to judge the success of the attempt to create a pacific, more prosperous and more just society in Europe. We should view this success in the light of the second World War, which has quite aptly been referred to as the 'European civil war'. There are centuries of difference between the two.

I admit that the position of Portugal in the Communities will largely be influenced by political and economic trends; but, given the rights we shall have in the decision-making process, that will not prevent us from using our influence to direct the Community's development along lines that are most in keeping with its objectives and its *raison d'être*. I repeat, therefore that my country wishes to belong to a strong, well-ordered Community, which at the same time maintains an open attitude

towards the world and is ready to contribute to the establishment of a world order more in keeping with the requirements of justice and reason ; a Community which, as the institutional expression of Europe, also wishes to assume its full rôle of mediator, since it is the instrument of a civilization which serves man and respects his values ; finally, a Community which will ensure that its economic resources are used to remove social disparities and will promote decentralization and the development of participation in the powers of decision-making.

We are convinced that the European Parliament already constitutes, and will do so to an even greater extent in the future, the one instrument which will enable European citizens, and especially the coming generations, to control the affairs of an organized Europe and strengthen the democratic legitimacy of the Community institutions and decisions.

Europe is called upon to make new contribution to progress and the advancement of human societies and to recognize the advantage of seeking collective, integrated solutions to the transnational problems with which we are confronted daily. Failure to do this would mean a refusal by Europe to learn from the experience of history and a repetition of the errors of judgment made after the Second World War, when the historic inevitability of the process of decolonization was not recognized.

For our part, we are courageously resolved to link our own future with the future of Europe. We are convinced that a society cannot be truly independent without economic independence and that this independence can be achieved, without inconsistency, by assuming the responsibility of interdependence between peoples and States. This responsibility will be more than compensated by the privileges conferred within the European institutional framework.

This does not mean that national differences must be eliminated in an open, democratic European framework. On the contrary, it would be dangerous to ignore the highly creative rôle of our differences, which are the guarantee of a society worthy of man.

Our political will to integrate as a sovereign, independent entity leads us to recognize that what is involved is the gradual but continuous adaptation of national realities to the new European dimension so that Europe will become a free, democratic, united and strong community and not merely a pawn in the game of the great powers.

At the same time, I am aware of the immense tasks facing the Communities in an age which rarely forgives missed opportunities.

I feel certain that this Institution will clearly see the need to defend enlargement of the Community as a condition of the very survival of the European venture.

I look forward with confidence to the historic moment when the Portuguese direct elections to the European Parliament will enable Portuguese democratic opinion to play its part in building the Europe of the future.

*(Prolonged applause)*

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## IN THE CHAIR: MR BERKHOUWER

*Vice-President**(The sitting was opened at 10.00 a.m.)***President.** — The sitting is open.1. *Approval of the minutes***President.** — The minutes of proceedings of yesterday's sitting have been distributed.

Are there any comments?

The minutes of proceedings are approved.

2. *Procedural motion***President.** — I call Mr Broeks on a point of order.**Mr Broeks.** — *(NL)* Mr President, on Friday, 13 October last, Mr Fellermaier referred to a letter apparently sent to you on 22 September by the French Minister of Foreign Affairs.

You stated on that occasion, Mr President, that the matter would be looked into by the enlarged Bureau. I then asked you whether you would inform us of the outcome of your discussion. The letter concerned the part-sessions of our Parliament and we therefore take a great interest in the matter. I should now like to know whether the matter has already been discussed in the Bureau and if so what the outcome of the discussion was.

**President.** — The Bureau has not yet discussed this matter. I take it that all the members of your Group are anxious that it should consider the question.**Mr Broeks.** — *(NL)* Mr President, we have already been told that the matter would be discussed. We are now asking to be informed of the outcome of the discussion. We have an interest in knowing the dates on which we are to meet and we also want to know where we shall be meeting.**President.** — Mr Broeks, I take note of the fact that you and the chairman of your Group urge the Bureau to consider the letter in question and to communicate the result of its deliberations to the Members of this Parliament.3. *Decision on urgent procedure***President.** — The next item is a decision on urgent procedure in respect of proposals from the Commission of the European Communities to the Council for regulations in the wine-growing sector (Doc. 272/78 and Doc. 324/78).

I call Mr Scott-Hopkins.

**Mr Scott-Hopkins.** — Mr President, regarding the first item on the agenda which concerns the urgency required for the question of wine, could I ask the Commissioner if he would be prepared to withdraw his request and that of the Council for urgent debate, if the Committee on Agriculture managed to procedure an interim report for discussion this week?**President.** — The House was informed yesterday evening that the text of the explanatory statement accompanying these requests would be attached as an annex to the minutes of yesterday's sitting. Mr Hughes, vice-chairman of the Committee on Agriculture, and the Commission of the European Communities spoke yesterday evening on this matter.

Following on what has been said by Mr Scott-Hopkins, I would point out that if this request for urgent procedure is adopted, the Committee on Agriculture will have to make a decision. It will either have to table a brief motion for a resolution or else instruct one of its members to draw up a report.

I call Mr Natali.

**Mr Natali, Vice-President of the Commission.** — *(I)* Mr President, before replying to Mr Scott-Hopkins I should like to know whether his request means that the interim report from the Committee on Agriculture will already be voted on during this part-session.**President.** — I call Mr Cointat, who wishes to speak in favour of urgent procedure.**Mr Cointat.** — *(F)* Mr President, I am speaking in a personal capacity and not on behalf of my group. I am in favour because I have noted that the European Parliament adopts urgent procedure in respect of all kinds of matters which may or may not really be urgent. I do not see why it should not adopt that procedure when a topic is genuinely urgent. I might add that at the Bureau meeting last month in advance that they would ask for an urgent discussion. At the time the President of the European Parliament said this: 'I note your request one month in advance and I shall ask the chairman of the Committee on Agriculture to expedite the matter.' Consequently consideration by urgent procedure is being requested pursuant to Rule 14 but the announcement was already made one month ago. I am not therefore taking up a position on the wine-growing issue, although I recognize the difficulties of the wine-growers themselves exact decisions which will be taken. My position on this matter is purely political: urgent procedure is now being requested after an announcement was made one month ago and the Committee on Agriculture had every possibility to present its report and the neces-

## Cointat

sary procedure for it do so has been respected. That is why I shall personally vote in favour of urgent consideration.

**President.** — Mr Natali has asked to speak.

**Mr Natali, Vice-President of the Commission.** — (I) Mr President, I greatly appreciated the observations by Mr Cointat who added further arguments to those I put to the Assembly yesterday evening. Nevertheless I am willing to withdraw the request for urgent consideration of an interim report.

**President.** — Mr Hughes, the request for urgent procedure has been withdrawn.

**Mr Hughes.** — Mr President, it has been withdrawn in the expectation that the Committee on Agriculture will be able to produce a meaningful interim report on which this House can vote. However, I believe we would be deluding ourselves if I were to promise that at its meeting tonight the Committee on Agriculture will be in a position to draw up such a meaningful report on the basis of the Pisoni report which we have before us at the moment.

I would like to make it absolutely clear, for your benefit and that of the House, that we are prepared to adopt urgent procedure to deal with the matters on which the Council has requested urgency, i.e. the two elements at the bottom of the first sheet of today's agenda. As for the previous seven proposals, however, they are highly complex, and I do not believe that we in the Committee on Agriculture will be in a position to provide the House with a meaningful report.

**President.** — Mr Fellermaier is looking for the floor, but I must point out to him that, now that the Commission has withdrawn its request for urgent procedure, the debate on the matter is closed.

**Mr Fellermaier.** — (D) Surely I can ask to comment on a statement by the Commission, Mr President? What kind of a Parliament is this?

**President.** — I am sorry, Mr Fellermaier, but this point is no longer on the agenda. The Commission has withdrawn its request for urgent procedure...

**Mr Fellermaier.** — (D) Without any reason, without any reason at all. That is the point! With no reason!

**President.** — I should now like to consult Parliament on the adoption of urgent procedure in respect of the proposals from the Commission of the European Communities to the Council for regulations concerning wine-growing potential.

Does anyone wish to speak in favour of urgent procedure?

I call Mr Hughes.

**Mr Hughes.** — Since these proposals for the non-replanting of vines call for the ban to be extended after

1 December, there is no doubt as to the urgency. The Committee on Agriculture will be meeting this evening, and we hope that we will be able to present a report and accept the need for urgency on these two proposals.

**President.** — Does anyone wish to speak against the adoption of urgent procedure?

In that case the proposals concerning wine-growing potential will be dealt with by urgent procedure.

This question will be placed on Thursday's agenda as the last item.

I should now like to consult Parliament on the adoption of urgent procedure in respect of the motion for a resolution (Doc. 443/78) tabled by the Christian-Democratic Group (EPP) on the outcome of the Tripartite Conference.

I call Mr Klepsch, who wishes to speak in favour of urgent procedure.

**Mr Klepsch.** — (D) I can explain the reasons very briefly. We shall be hearing a statement on the outcome of the tripartite conference and the rules of procedure only allow us this means of delivering our opinion on that statement; we have therefore chosen this procedure and would ask the House to support our request for urgent consideration. We shall then be able to discuss an opinion of the House and reach a decision.

**President.** — Does anyone wish to speak against the adoption of urgent procedure?

In that case the motion for a resolution will be dealt with by urgent procedure.

It will be placed on the agenda for today's sitting together with a statement by the Commission on the same subject.

I now consult Parliament on the adoption of urgent procedure in respect of the motion for a resolution (Doc. 444/78) tabled by the Christian-Democratic Group (EPP) on the expulsion from Malta of Mr von Hassel.

I call Mr Klepsch.

**Mr Klepsch.** — (D) Mr President, I wish to withdraw the request for urgent consideration because a statement has in the meantime been issued by the chairmen of all the political groups in the Parliamentary Assembly of the Council of Europe. We therefore feel that the Political Affairs Committee can look into this matter better than if we hold an *ad hoc* debate urgent procedure today. I therefore withdraw our request.

**President.** — Pursuant to Rule 25 of the Rules of Procedure, the motion for a resolution is referred to the committee responsible, which is the Political Affairs Committee.

I call Mr Prescott.

**Mr Prescott.** — I am sorry to delay the House, Mr President. If the Council of Europe, of which Malta and Germany are members, have, in fact, issued a statement and will be dealing with the matter at their next meeting, why then are we referring this motion to the Political Affairs Committee? Let it be dealt with in the organization to which the two nations belong, i.e. the Council of Europe. I do not see why it now has to be referred to the Political Affairs Committee.

**President.** — Only the request for the adoption of urgent procedure has been withdrawn. That is, unless Mr Klepsch wishes to withdraw the motion for a resolution also?

**Mr Klepsch.** — (*D*) Not at all, Mr President; I shall be careful on this point because Mr Prescott only heard in his earphones what I said — but I did not withdraw the motion as such. I am assuming that the Political Affairs Committee will consider the matter as it always does in these cases and that it will do so in the light of the views expressed by the Parliamentary Assembly of the Council of Europe. That is a good way of going about it.

**President.** — I now consult Parliament on the adoption of urgent procedure in respect of the motion for a resolution (Doc. 446/78) tabled by the Christian-Democratic Group (EPP) on the situation in the iron and steel industry.

I call Mr Klepsch, who wishes to speak in favour of urgent procedure.

**Mr Klepsch.** — (*D*) I am in favour, Mr President, for the same reasons as in the case of the first request for urgent procedure on which I spoke just now. We want the Parliament to express its opinion at the end of the debate on the Commission's statement; we have chosen this method because there is no other procedural possibility. The House may decide to adopt other texts or additional texts on the basis of our motion. But if we do not put down a motion we have no way of expressing our opinion.

**President.** — I call Mr Pisani, who wishes to speak against urgent procedure.

**Mr Pisani.** — (*F*) I do not think it is so urgent to discuss this matter. What is the value of an improvised debate on the Commissioner's statement?

It will be a procedural debate, merely expressing certain intentions: the Socialist Group asks for urgent procedure to be rejected and for a substantive debate

to be held in December when the whole problem of the steel industry can be dealt with. I also have the impression that we are tending to repeat our debates and thus to deprive them of their substance which is not conducive to Parliament's good reputation. Let us take the time to study matters seriously. We need — perhaps our minds work slowly — one month to give positive and practical thought to the words of Commissioner Davignon.

**President.** — I put the request for urgent procedure to the vote.

The request is rejected.

Pursuant to Rule 25 of Procedure, the motion for a resolution is referred to the appropriate committee, which in this case is the Committee on Economic and Monetary Affairs.

I call Mr Prescott to speak on a point of order.

**Mr Prescott.** — Mr President, I do not know whether it is possible for you through your office or for the President himself to exercise any influence over emergency resolutions. I can recall that at the last meeting of this Assembly a lot of play was made, particularly by the Christian Democrats and others, of the fact that there were too many emergency resolutions. Well, four emergency resolutions have come before us this morning, and I think one survives. Now I know an election year is coming, and candidates may be putting down all sorts of resolutions. Can you either appeal to the group chairmen or ask the Bureau to persuade Members to exercise some restraint? We have spent half an hour on something that has resulted in only one emergency motion. I think a little more discretion in these matters would assist the House.

**President.** — Mr Prescott, I feel that the Assembly has taken note of your remarks and that this item may be regarded therefore as closed.

#### 4. *Decision on safety in thermal water reactors*

**President.** — The next item is the report (Doc. 411/78) drawn up by Mr Veronesi on behalf of the Committee on Energy and Research on the

proposal from the Commission to the Council (Doc. 124/78) for a decision adopting a programme of research for the European Atomic Energy Community on safety in thermal water reactors (indirect nuclear action).

I call Mr Veronesi.

**Mr Veronesi, rapporteur.** — (*I*) Mr President, I would refer the House to the written report.

**President.** — I call Mr Brown to present the opinion of the Committee on the Environment, Public Health and Consumer Protection.

**Mr Brown, draftsman of an opinion.** — Mr President, first of all I wish to congratulate our colleague, Mr Veronesi, on his report, and to say I am sure I speak on behalf of the whole House when I say that we are delighted to see him back in his place and restored to good health.

Mr Veronesi's report draws attention to a very important situation with regard to light-water reactors. There has, of course, been a great deal of concern about the safety of light-water reactors, and having regard to the fact that more than half of the total installed nuclear capacity now consists of light-water reactors, one can understand the need for their safety being above reproach. My own view has always been that there has been some doubt about the safety of light-water reactors. I have argued that they have been developed much too quickly and that the simultaneous development of safety precautions has been regrettably slow. We know that in America there has been grave concern about the failure of the American authorities to carry out adequate safety precautions with regard to light-water reactors.

The proposal from the Commission is that it should now undertake a study into the emergency core cooling system. This is the one question that has never been really considered by the Americans at all, and I therefore very much support the view of the Commission that it now has to be satisfied that the emergency core cooling system is safe. But I wonder what the position will be if these investigations should show that the emergency core cooling system is not safe. Am I to understand that the vast sums that are being invested in light-water reactor installations throughout Europe will immediately be withdrawn, or that they will all cease operating pending an uprating of the safety precautions?

It is this basic argument and the basic dishonesty, as I see it, that has caused me concern over the years. When I pointed to this particular area, the emergency core cooling system, as constituting one of the principal safety problems within the light-water reactors, I was assured I was not being sensible, and it has taken 10 or more years to get the view accepted that, as one can now read in documents relating to the EEC, we have got to undertake investigations into the emergency core cooling system in order to improve the knowledge of the Commission on light-water reactors. It is an interesting thought, Mr President, that as recently as 1976, the Nuclear Installations Inspectorate in my own country, the NII, undertook a special arrangement with Westinghouse of America to evaluate light-water reactors. In particular, we are told:

confidential basis concerning commercially sensitive information relating to the safety of PWR's.

That phrase epitomizes exactly what I have been saying over the years, and still say, that if safety matters are subjected to confidentiality, then we cannot be certain that the information we are given is correct. And it was that very confidentiality that I was up against back in the sixties when I was trying to argue that no work had been done on the emergency core cooling system to attest its safety. Finally I broke through this barrier of confidentiality to discover that the only work that had been done was a mathematical model. Everybody knows that because of the complexities of a possible accident in the emergency core cooling system it is not possible to anticipate all the variants that may arise and that therefore one cannot make a perfectly successful model, and I should have been content if I had been told that this was all that had been done — I would have dissented, but I would have been content. But, by golly, to pretend that in fact we had established the safety when in fact we had not and, furthermore, to cover up that lack of knowledge by pretending that it was confidential and therefore we could not be told was a crime in itself. Therefore I have grave reservations, even now that the Commission itself is going to examine this problem, as to how far we shall eventually get the truth. If my own country can publish this type of agreement where the Nuclear Installations Inspectorate, the supreme body for ensuring safety, has concluded a confidential agreement with the Americans, then I wonder just how much of the truth we can count upon when finally the information is given to us.

I support the proposal that the Commission should carry out this work, but it is just late in the day. I merely ask: what is the point of proving now that it is possible that we have not got all the information, when throughout Europe we have light-water reactors everywhere? It is true, and this I have to keep re-emphasizing, they are all down-rated because we cannot trust them. None of them, in my view, is working to full capacity, and once it is decided that they cannot work to full capacity then the financial argument for having them is weakened. There are other forms of reactor: the AGR, for example, would be as viable as the light-water reactor if you set aside the latter's economic advantages because, it is said, we have so many of them. I think it should be a warning to Europe and to everyone else when we see how far a company in a particular country can hasten away to try and get an advantage and then sell that advantage by claiming that because one country has it other countries ought to have it too. It is true that the Germans took certain steps to ensure that their light-water reactors were specially treated as far as the actual pressure-vessels were concerned. And they certainly did take steps there that were different from the Americans. But beyond that, light-water reactors generally are the same as they have always been, and, in my view, their safety is very questionable.

An agreement has been signed with Westinghouse to enable the NII to receive reports from that company on a

**Brown**

So I think the Commission have chosen an important area, and because I was somewhat dissatisfied as draftsman of the opinion of the Committee on the Environment, Public Health and Consumer Protection, I felt it right to table an amendment to paragraph 1 of the motion which I would ask the rapporteur to consider. It does not change the sense in any way, and it has received the support of the Socialist Group. In it, I merely point out the rightness of the Commission in selecting the emergency core cooling system, as being the area of prime importance, and go on to imply that since we have now decided to carry out this work urgently, it seems a little odd that some Member States are already committed to an expansion of their light-water reactor programmes. I would merely observe that it seems particular that one should be prepared to go ahead with this type of programme when one is waiting to hear the results of this urgent work being carried out by the Commission in order to satisfy oneself of the safety. Let there be no doubt, Mr President, that the light-water reactor still has one essentially suspect feature, and that is the emergency core cooling system. There can be no satisfaction that it is right, and to go ahead now, expanding the work with light-water reactors, before this examination has been completed seems to me to be somewhat less than reasonable.

So I have put this amendment down because I think it deserves the attention of the House, even though we certainly support the Commission and wish them well in the work that is to be done. We hope it will in fact be done urgently; we hope that it will be monitored, to make sure that it is being carried out as proposed; and when the results are published, I can only hope they show it is safe. On the other hand, I would urge some caution of the part of those Member States who feel that they do not have to wait for the results.

**President.** — I call Mr Flämig to speak on behalf of the Socialist Group.

**Mr Flämig.** — (D) Mr President, ladies and gentlemen, on behalf of the Socialist Group I also want to thank the rapporteur and express our pleasure at seeing him back in good health among us. We welcome his report and we also welcome the additional proposals made by Mr Brown on behalf of the Committee on the Environment, Public Health and Consumer Protection.

If the Supplementary report regrets the fact that research of this kind has not been done earlier, we are not seeking to criticize the Commission but merely to emphasize — as Mr Brown said just now — that it is just not enough to simulate the failure of the emergency cooling system. However, it would be wrong to suppose that only computer calculations have been made so far: we saw for ourselves in Ispra that other tests have been carried out, e.g. explosive tests on the

fuel element casings, in an attempt to answer the question as to what happens when the emergency cooling fails. We in the Socialist Group have often stressed our attachment to the principle of safety first. In the nuclear sector too, safety must take precedence over economic benefit. But let us see things in their true perspective: we do not want to give the impression that nothing whatever has been done up to now and that the Community is only now beginning to undertake safety research. That is quite simply not the case.

A great deal of money, a great deal of knowledge and a great deal of work have been invested in the European Community in the study of light water reactor safety; I should like in all modesty to draw attention to the research done in my own country, the Federal Republic of Germany, where we have not been content to take over the American patents but have carried out research in an attempt to make these reactors even safer than their counterparts in the United States. The success is visible, Mr President; there has not been a single fatal accident anywhere in the world attributable to a failure in the nuclear section of a light water reactor. Light water reactors all over the nuclear section of a light water reactor. Light water reactors all over the world have been in operation for thousands of hours; in 1978, 319 light water reactors are operational, under construction or on order in countries of the east and west. The safety specifications are extremely stringent and there can be no doubt that they are also effective; but — and here too we concur with the Committee on the Environment — it is clearly not enough for the reactor simply to be shut down when faults are detected or, if it is properly adjusted, to shut itself down; automatic systems have been known to fail when faults have occurred in the reactor.

The risk of a serious failure is slight but we nevertheless not that the public is expressing repeated disquiet, which we share, at the occurrence of a large number of minor faults, particularly in the case of the boiling water type of light water reactor. Faults have developed particularly in the steam generator and we wonder what the cause is. Are the faults due to metal fatigue and will new alloys have to be found? All these are reasons for an additional safety programme to be put in hand here as advocated in the Veronesi report.

We particularly welcome the decision to examine at long last the real conditions of cooling circuit failure; the desirability of the programme is reflected in the fact that international companies and institutions outside the Community wish to participate in its financing. One final remark on this tonic. Mr President: safety research is desirable and necessary, but it is equally necessary to inform the public of the development and results of that research since the disquiet among the population is largely attributable to the

**Flämig**

lack of information. The serious concern felt by many citizens in all the countries of our Community is understandable and the lack of information probably explains why so many charlatans and scare-mongers are active in this field. Let me quote you one example, Mr President. With no scientific basis or method, two self-styled scientists have been collecting data and publishing newspaper advertisements asserting that in the Lingen area of the Federal Republic an unusually large number of cases of leukaemia have been observed in the vicinity of a nuclear power station. The government has looked into the matter and found these assertions to have no basis in fact. The radiation load due to medical sources, X-rays and so on, and to natural radiation is much greater than the radiation load from the nuclear power station which is only one per cent of the total. What do we learn from this? We conclude that confidence in nuclear energy must be acquired or won back by an arduous process. If this safety research supported by the Veronesi report makes a contribution to the recovery of confidence, that can only be to the good and we therefore endorse the findings of the Veronesi report.

*(Applause)*

**Mr President.** — I call Mr Fuchs to speak on behalf of the Christian-Democratic Group (EPP).

**Mr Fuchs.** — Mr President, ladies and gentlemen, the research programme on the safety of thermo-nuclear light-water reactors fully accords with previous motions for resolutions adopted by this House. I am therefore able to express that the rapporteur, Mr Veronesi, has delivered a convincing opinion on the matter and has concentrated on the essential points.

As we see it, this research programme should have two objectives: firstly to take account of the need to ensure safety for the population and protection of the environment. That aim should take absolute priority. Secondly, the programme should achieve the best possible results at the lowest possible cost. The first is a human consideration, the second one of economic sense. From that angle we welcome the fact which clearly emerges from the Commission's proposal, and from Mr Veronesi's report, that the purpose of the programme is to coordinate research projects. The aim is to establish organic links between the individual points. The direct action in Ispra is to be coordinated with this indirect action, so that all the research is complementary. The committee of Parliament also added the need to incorporate relevant research results obtained outside the Community in this area. There is to be a comprehensive exchange of information and above all the definition of appropriate priorities. We warmly welcome this research programme, particularly from that angle of priorities. Here attention must be focussed on the problem of coolant losses.

I must say a word now on the amendment by our colleague, Mr Brown. In his point 1a) he is in effect

simply confirming that this is the aim of the research programme and to that extent his point is superfluous. It is merely repetitive. In point 1b) he regrets that this programme is only now being brought into effect. I would refer here to Mr Flämig's observation that this matter has already been investigated in earlier research programmes. But on this occasion there is a specific direction to the research. I am afraid that the wording of point 1b) might spread the false impression that this matter which is of such great importance has not up to now been considered with the necessary attention; we in the Christian-Democratic Group are therefore unable to support this amendment.

On the problem of safety, I want to lay particular emphasis on the political and psychological effects. Mr Flämig has already spoken on this. We find that people are afraid of technical developments in general, and quite naturally of nuclear energy in particular. Unfortunately we also note that young people are especially prone to such fear. Young people are tending to jump rather hastily — for which they are not to be criticized — and sometimes even with real enthusiasm, onto the bandwagon of hostility to technology. I see this as a dangerous political tendency which must be countered. This programme can help to underline the credibility of the European Parliament and of the Community as a whole in that we are placing safety at the top of our list of priorities. Unfortunately we find that thoughtless, self-styled groups of experts are often spreading frightening stories which have a devastating effect. Mr Flämig's observations deserve close attention. If a 'biological' research institute which consists in fact of economic theorists who know nothing whatever about biology or nuclear physics publishes so-called research results which are taken up widely by the mass media, that can only be a dangerous development.

We cannot prevent such groups from setting themselves up as supreme judges but we can and, I believe, must appeal to the mass media to apply great journalistic caution because it is difficult to counter these reports once they have been published. Confirmation of the fact that the reports were unfounded comes later but generally not under a banner headline because it is no longer of prominent interest but only in small print somewhere on page 7 or 10 where it passes unnoticed. We have to fight constantly against these reports and this is a very dangerous trend.

I believe that the Commission, the Council and everyone active in this vital area should urge the mass media — the press, television and radio — to check the facts carefully before making them public; at that stage it is already too late.

Ladies and gentlemen, there is little more to add on the programme as such. Its aim have been set out clearly and accurately with the central emphasis on

**Fuchs**

safety. We can only hope that the Council will adopt this vital research programme in good time for it to be implemented early in 1979; it is extremely important, indeed decisive, to gain as much as possible. On that depends our credibility — something which politics are often thought to lack nowadays. In conclusion, the Christian-Democratic Group fully supports this programme and calls on the Council to take its decision as quickly as possible so that this essential research programme can be implemented immediately.

**President.** — I call Mr Brown on a point of order.

**Mr Brown.** — Mr President, Mr Fuchs stated that the Christian Democrats are going to vote against the amendment because of the wording of 1(b). I have now seen the Italian and the German translations and I am bound to say that they are both absolutely incorrect. In fact I made no reference to deploring; I don't deplore if at all, I merely say that Parliament 'is concerned, however, that such research has not been proposed earlier, given the large-scale deployment of light-water reactors in the Community in the last decade.' As that is an absolute fact I don't deplore it. But the German and the Italian texts use the word 'deplore'. I wonder whether Mr Fuchs would have a look at the English text and have it translated more accurately, because I feel sure that what he is saying is in full agreement with what I said in the English text.

**President.** — I call Mr De Clercq to speak on behalf of the Liberal and Democratic Group.

**Mr de Clercq.** — (F) Mr President, this topic assumes its real interest in the light of the nuclear chosen by the Community, since the essential problem for the development of nuclear energy is its acceptance by public opinion and that acceptance will only be forthcoming if safety guarantees are adequate and reliable.

It is impossible to carry out too many experiments in this area. The most serious accident which could occur in a reactor would be the loss of cooling fluid. But there is no way of carrying out full-scale experiments on a real reactor! Up to now the only accident of this kind to have occurred was at Saint-Laurent-des-Eaux in France in 1969. There was then a loss of coolant followed by partial fusion of the fuel elements. But no radioactivity was released into the environment.

What would happen on the other hand if an accident involving the loss of coolant followed by partial fusion of the fuel elements. But no radioactivity was released into the environment.

What would happen on the other hand if an accident involving the loss of coolant occurred simultaneously with failure of the emergency core cooling circuit? There is a short period (one minute) within which the emergency core cooling must come into action to

prevent fusion of the fuel. However, some uncertainty remains as to the behaviour of the injected water and its effectiveness in ensuring the cooling of the fuel.

Work must therefore continue to quantify the safety margins as accurately as possible. Moreover in the event of an explosion with the release of a gas cloud or of radioactive fission products, the maximum degree of protection must be ensured for the population and environment.

A colloquy was organized in 1977 by the OECD agency for nuclear energy and the International Atomic Energy Agency to study these matters. It is particularly appropriate for the Community to participate in these proceedings in order to acquire all available information. This whole problem of reactor safety involves experimentation on a broad scale. Our knowledge must be perfected and models and computer programmes compared to make the most accurate possible forecasts. The more data we have, the better placed we are to achieve maximum safety.

The Commission is realistically proposing measures of consultation, information and coordination with other agencies concerned with reactor safety. Many questions remain unanswered; it was high time for the Community to participate in research programmes in this area.

Even if accidents are extremely rare we cannot overlook the smallest possibility. This programme is a necessary stage in ensuring reliable nuclear energy. The Liberal Group welcomes it and hopes that other measures are envisaged in this area and in fact of fast neutron reactor safety.

**President.** — I call Lord Bessborough to speak on behalf of the European Conservative Group.

**Lord Bessborough.** — The European Conservative Group also welcomes Mr Veronesi's report and supports the motion for a resolution approving the Commission's proposed research programme. I would like to join with other Members in congratulating Mr Veronesi on the report, and I am glad to see that he is well again.

I fully understand the fears of my colleague Mr Brown, with his wide knowledge, concerning the emergency core cooling system. I think he was right to express the sort of fears he expressed. I would like to begin by talking about the question of public opinion. I certainly agree with all Mr Fuchs said on behalf of the Christian Democrats on this subject. Public opinion seems unaware of the increasing need for nuclear power. Nuclear power in my view, Mr President, is becoming more and more the only short and medium-term solution to the energy needs of the world, and the sooner voters and we in Parliament recognize this the better. The result of the referendum on the use of nuclear power in Austria is proof that people are fearful of a power system which they do

### Lord Bessborough

not understand. Now the expenditure of 8.8 million units of account on a research programme is, in my view, a small investment if that is all that is required to reassure public opinion, as well as specialist opinion, of the safety of these reactors and of the estimated probability failure leading to an accident. As we know, light-water reactors are installed in most Member States as well as in Spain, though not in the United Kingdom which, as Mr Brown has told us and as he knows full well, has concentrated mainly, although by no means exclusively, on gas cooling. We are debating the safety, therefore, of the most widely used nuclear generating system in the world, an area in which the United States leads. It is the system which, as I think my colleague Mr Stetter knows, Denmark may choose. We don't yet know whether Holland and Luxembourg will take the wise and necessary decision to install nuclear plant, but let us hope that the results of this programme will be well publicized and that public opinion will revise its ideas on nuclear power in order to welcome to overdue political and financial commitment to what is in fact the cleanest and most reliable energy source currently known to man. I think it is worth noting that a provable death from a nuclear installation is yet to be declared. As each year passes the industrialized nations add hundreds of plant-years to the thousands of safe operating plant-years of experience.

My own country has done much work on other types of reactor in order to assess the reactor accidents that could occur and their provable consequences. The expert British view, as I see it, is that in highly complex nuclear technology it is not possible to specify the worst permissible accident, that is to say an accident where in fact the environmental effects would be so small as to be accepted without concern and to ensure by design that no accident of greater severity could occur. Engineers and scientists offer a series of accidents and consequences spanning many orders of severity with varying probabilities of occurrence. The practical aim of their design, as it must be with the design of all reactors, is to ensure that the probability of an accident is sufficiently small in relation to its possible consequences. For comparison, the risk of death or injury through accident is a condition of living, a condition which we and our electors accept day by day. For example the accident rate for travel is one in eight thousand per year; for work it is one in thirty thousand per year; in rock climbing, one in one million for ninety seconds. Risks below one in one hundred thousand per year are usually considered as individual risks for which warnings are given. Risks below one in one million per year are generally accepted by all of us unwittingly and without concern.

Expert evidence given to the British Royal Commission on environmental pollution suggests that the attainable design objective of present-day nuclear power plant is a risk factor in the range of one in one hundred thousand to one in one million per year for a

reactor failure leading to a substantial release of radioactivity. The Community will, therefore, be committing 8.8 million units of account to a programme which may only confirm such evidence. But if it does so, then the outcome will have been, in my view, satisfactory. If the programme results in an improvement in the safety threshold of light-water reactors, then the outcome will be more satisfactory. Therefore, I wish this programme a successful outcome and hope that the Council will accept it. I would like also to thank Mr Veronesi for having agreed, after we'd discussed it in committee — unfortunately in his absence —, to include in paragraph 5 the possibility of concerted research and development with countries outside the Community.

As for Mr Brown's own amendments, I must admit that my first reaction was the same as Mr Fuchs, on behalf of the CD Group, namely that these two amendments, or these two additions, to paragraph 1 were hardly necessary. But I will look at them again and see whether, when we vote on this matter tomorrow, we can accept them. I did, I must admit, feel that they were hardly necessary. I would like to thank Mr Veronesi again for an admirable report. Thank you, Mr President.

**President.** — I call Mr Rivierez to speak on behalf of the Group of European Progressive Democrats.

**Mr Rivierez.** — (*F*) Some of the speeches we have just heard have shown a detailed knowledge of the technical problems of nuclear energy and my own remarks will be very brief. On behalf of my group, I too wish to congratulate our colleague, Mr Veronesi, on his report which we shall support.

Like Mr Fuchs, Mr Flämig and Lord Bessborough, I too would like to draw the attention of this Assembly to the need to make this report well known to the public. We are constantly hearing attacks on nuclear energy which is in reality vital to the economic and political survival of Europe, while little attention is given to the serious studies in support of the necessity of using nuclear energy, at least on a temporary basis, until human intelligence is able to find a better solution. We must make the public aware of the necessity to use this energy and of the normal risks which it entails, as Lord Bessborough pointed out.

The Community must therefore pursue a policy which keeps public opinion informed in a responsible manner by those who are conscious of the need to use this form of energy at least provisionally.

I would also like to take the opportunity provided by the submission of this report to express my group's regret at the continued absence of a common energy policy. The results of the last Council meeting are not encouraging on this matter. It is a pity that in this essential sector everything should be left to national policy. It is a pity that we are not showing a common front and adopting a common policy in this sector which is vital to the future of Europe.



**Rivierez**

In conclusion we shall vote in favour of the report by Mr Veronesi whom it is a pleasure, and I say this in my personal capacity, to see back among us.

**President.** — I call Mr Dalyell.

**Mr Dalyell.** — Mr President, I am prompted by what Mr Fuchs has said, and indeed Lord Bessborough and other colleagues, to ask the Commissioners answering the debate a rather detailed question on this whole issue.

It is not so much a matter of public opinion as of the way in which the various plans put forward by the Commission, and indeed for that matter by the national authorities, so disturb local communities. I wonder if we do not have to face it that in most places where it is proposed to establish any kind of nuclear plant, and certainly to do any dumping, once the inhabitants have been told that the holes have something to do with nuclear waste, they decide with impressive unanimity and speed that they would rather that the drilling was done somewhere else. And it is a fact that in almost every community the reaction you are going to get is, 'Well, we do not want it in our backyard, you can put it somewhere else'. Those who want to dump nuclear waste are faced almost everywhere they go with local authorities who quickly muster local support. In some cases perhaps, encouraged by local support, they will override the better judgment of certain councillors, who feel that they cannot ride this particular tiger and give in to what some of us in our harsher moments might call the forces of ignorance.

It is all very well for us to stand up here and say that the Commission should make a better job of presenting its case. I think, from knowledge of what has happened in previous instances, that the Commission has done as much as is humanly possible in presenting the case. Now, it may be that it would be wise to have a public meeting before anyone so much as walks the ground with a view to drilling. Because what is quite true is that from time to time approaches have been made in the very first stages to see whether, in fact, it is possible to dump nuclear waste, and then these have been misrepresented, they have been wildly exaggerated, all sorts of rumours have been created and it all becomes very difficult.

It is in the light of this that I have a concrete proposition to put to the Commission that it may or may not think worth examining. I do not ask for any answer today, but I am sure that Commissioner Brunner would, in his normal courteous way, be prepared to write about it at his convenience. The proposition is based on the fact that there is a group of people who, in fact, are willing to accept nuclear waste. These are the people in a scattered community who owe such prosperity as they now have to the nuclear industry. I refer in particular to the people of Caithness in the very north-east corner of Scotland, who have earned

their living, directly or indirectly, from the prototype fast-breeder reactor at Dounreay. It so happens that in this area, if geologists are to be believed, there may be — we will not put it any higher — very suitable geological structures for the dumping of nuclear waste. Now, granted that here is a community that appreciates the safety record of nuclear power over what now amounts to three decades, would it not be sensible to approach the people of Caithness and say, 'Look, you almost alone are in the position of provisionally accepting nuclear dumping. You almost alone are not going to make an undue fuss about it. You almost alone perceive that in this kind of work there may be highly-skilled jobs for your young people. Could we come to some kind of package arrangement with you?'

Now I have to emphasize that I do not speak officially for the Caithness District Councils and Regional Councils, because I have no authority to do this, but I do assure colleagues that I have talked to people in the Community up there as individuals, and they feel that it is a proposition that is worth examining. They feel that a major unit for the establishment of nuclear waste could be centred round that particular area.

Therefore what I suggest to Commissioner Brunner and Commissioner Natali is this, that before you go any further in arousing these terrible antagonisms and creating an enormous fuss about hypothetical situations which may never arise, because the geological factors may turn out at the end of the day to be unsuitable, why not go first to where there is likely to be an informed public reaction and see what you can do there? If, for some reason, it turns out to be unsuitable, then, of course, you have to make other arrangements. But what I am saying to the Commission is this: would it not be sensible first of all to get the goodwill of that community and go on from there, because there must be very few localities in Europe where you will find acceptance on the basis of recognition of the safety record of the nuclear industry? Would it not be better to concentrate efforts where these conditions exist, rather than create possibly gratuitous antagonisms in all sorts of other areas where, in my opinion, the forces of ignorance are going to triumph over the forces of knowledge and reason. Would it not be best to start with your potential friends? I put it to you that you have potential friends among the people of Caithness.

**President.** — I call Mr Brunner.

**Mr Brunner, Member of the Commission.** — (D) Mr President, it is not surprising that the debate today has ranged well beyond the report and the programme to which it relates. However, I should like to begin by thanking Mr Veronesi for his excellent report and for lending support to our proposals. They are not the only ones that we have submitted in the area of research into reactor safety. We do not therefore

**Brunner**

consider it appropriate to suggest that the proposals have been submitted late in the day. In Ispra we are conducting extensive research into nuclear waste and reactor safety; that research has been in progress for several years and has met with international recognition. Our proposal today is relatively modest — involving 8.8 million EUA spread over five years — and only supplements the work already in progress. It relates simply to research work which we propose to conduct in the national laboratories. The Community will provide a contribution but the work will centre on the national research establishments. We should not like to give the wrong impression that we are only now taking action to instil confidence among the population in this important area. Confidence is the real issue here. It is not by chance that your debate has, as I said earlier, ranged well beyond the actual topic of discussion. How could it be otherwise given that, in the nuclear energy industry of the Federal Republic alone, there is now an investment backlog of 15 thousand million DM. We all know how difficult these matters have become. You yourselves have mentioned the Austrian referendum. We are increasingly coming into a situation where the share of nuclear energy in the Community's total energy production is no longer assessed objectively. It seems to be forgotten that the share is relatively modest, and that in 1985, nuclear energy will still only account for 12 % of our total electricity production. It is forgotten too that this is only part of an overall effort to lessen dependence on oil. We in Europe are living dangerously. We are living in a situation where our dependence on oil imports is as high as 56 %. How long can this go on? How long will it take for us to realize that we cannot in the long term ensure supplies to our economies in this way? Will it take events like those in Iran where oil is for the first time being used as a weapon in the armoury of domestic politics to open our eyes? Does it need repeating that 17 % of our oil imports in Europe come from that one country, Iran? Must we wait for political events in other parts of the world to open our eyes? Is it asking too much for us to realize that in the long run we must create a situation where our supplies will be more secure? We must surely realize that our economies which are dependent on raw materials and energy imports can only be safeguarded, with their millions of jobs, if we draw fully on every possible source within the European Community. To a limited extent, nuclear energy is one such source. Many errors have been made in this sector. Attention was not given in good time to nuclear wastes. We began to build a bath without bothering about the waste pipe.

Ultimately all this is now having its effect on public opinion and on the further development of nuclear energy.

We must draw the necessary consequences. We must recognize that only a full and time-consuming public debate will enable us to make the necessary use of

nuclear energy. To carry conviction we must do more than we have in the past in this specific area of reactor safety.

We have tried to enlighten the general public. You will remember that we have held hearings on nuclear problems in Brussels. There were then open discussions lasting for several days between representatives of the consumers, the trade unions, the organizations active in the nuclear energy sector and the environmentalists. Their views moved somewhat closer together but this is by no means enough. We must show a concrete readiness to draw the appropriate lessons from past mistakes — including exaggerated publicity in favour of nuclear energy. Accidents of the type which are to be simulated in this programme — namely accidents to the reactor core cooling system, accidents involving radioactive emissions and those that may be caused by gas clouds — are commanding the attention of broad sections of public opinion. They have sometimes been described in exaggerated terms or presented as an immediate possibility, despite the fact that all our experience points to their extreme unlikelihood. Nevertheless we must be fore-armed against them. We cannot expect the population of Europe to live with an impression of risk which they are not willing to accept.

Only when the population come to realize that there is no significant risk will they be able to see the situation in its true light again. Only then will the citizens of Europe see what is needed and to what a modest, but essential, extent we must develop nuclear energy. Only then will a readiness also grow to do more for the storage of nuclear waste.

In due course I shall give Mr Dalyell an answer to his question. I would remind you that the document on nuclear waste is still with the Council of Ministers and has not yet been dealt with. I should be willing to give preference to consideration of that document out of the trilogy of subjects: reprocessing, fast breeder reactors and nuclear waste. I see progress in this area as essential. We cannot accept a situation of deadlock. I think that when this document is dealt with we shall be able to show the general public in Europe what is already being done, what will be done and what should be done in addition.

I am grateful to you for your support. I would also welcome it if Mr Brown could withdraw his amendment in the light of the general situation. It is not true that we are standing idly by, nor is it true that this is only the first measure. It is part of an overall scheme and not the last step that we intend to take in this area.

**President.** — I call Mr Dalyell.

**Mr Dalyell.** — Mr President, Commissioner Brunner referred to this important paper on nuclear waste

Dalyell

removal. Is he insinuating that the Council is wrong to delay on it, and what is the timetable?

**Mr Brunner, Member of the Commission.** — (D) In my rather cautious manner I made a point which Mr Dalyell understood quite correctly, as his question shows. We want the document on nuclear waste to be dealt with at the earliest possible date by the Council. If it proves impossible to consider it at the Council meeting in December, we should at the very least like it to be discussed during the first meeting under the French Presidency in the first half of next year; the necessary conclusions can then be drawn.

**President.** — I call Mr Veronesi.

**Mr Veronesi, rapporteur.** — (I) Mr President, ladies and gentlemen, may I begin by thanking my colleagues for their warm wishes on my return to my parliamentary duties; I wish also to thank them for the kind messages which they sent to me while I was ill.

The contributions to this debate have been particularly appropriate and well-informed and have enabled everyone to better assess the implications of this problem.

In my report I have tried to highlight the fact that safety problems are permanent problems which do not have a specific beginning or end. It would be altogether misguided scientifically to suppose that technology might reach a peak after which it would cease to develop and leave knowledge in a state of suspended animation. Work is actively progressing on safety for all types of transport — by road, sea and air — which means that in all areas of human activity knowledge is evolving and processes are being developed which will help to improve safety and the quality of our lives.

The new programme is just part of an activity which has been under way for a long time to guarantee reactor safety. Among other things, I stressed in my report that these reactors are already 'proven' — to use the normal technical term — because they already have the backing of long experimental operation; they offer many guarantees of safety going well beyond mathematical calculations. We must pursue our research because economic costs must be cut in areas where safety coefficients with extremely broad margins have been applied and because technological systems must be made increasingly efficient.

I should like to point out to Commissioner Brunner — and I have also said this to the representatives of the Committee on Energy — that the language used in these documents, which are always scientifically and methodologically valid, is sometimes ambiguous. On this occasion too the Commission's document lends itself to the same criticism. I do not think it necessary to sugar the pill or hide the truth. Such an

approach would be quite unacceptable. I maintain on the contrary that we must present the facts in a spirit of total objectivity without hiding our hands. I should not like ambiguity to be used, if only unconsciously, as a means of facilitating approval by the Council. I believe that the Council must be presented with initiatives from Parliament which go beyond the contest of direct relations between the Commission and Council. It might also be useful for the responsible parliamentary committee to request a meeting with the Council in order to explain the assessments and conclusions arrived at by it.

It would therefore be desirable in future to present the facts in these areas exactly as they are for reasons of clarity and precision. To underline the importance of our choice and also its validity. I would point out that light water reactors are now the most widely used solution, and pressurized water systems take clear precedence over boiling water reactors. It is worth noting that almost all the nuclear reactors to have been brought into service in 1977 were of the light water type, using the pressurized water system.

Every human activity obviously has its risks. I might point out that a group of ingenious research workers has looked into the hypothesis of the adoption of solar energy panels for ambient and water heating from the point of view of a proper distribution of these plants and come to the conclusion that the incidence of fatal accidents during maintenance of the panels would be far higher than the foreseeable incidence of accidents attributable to the use of nuclear energy; this goes to show that every form of energy and every means of producing energy has its risks and of course also its benefits.

In conclusion, I must say that I particularly welcomed Lord Bessborough's amendment which in fact adds a special touch of clarity to the resolution; on the other hand I am rather disturbed by the low level of utilization of the joint research Centres, i.e. direct actions, to deal with these problems. I think that we should make an effort to step up the use of these Centres where there are hundreds, or even thousands, of highly qualified research workers of whom we should surely require much greater use to be made.

May I make one last remark about Mr Brown's amendments. I thought from the outset that the first of them was rather unnecessary in that it added little to what has already been said. The second amendment on the other hand seemed rather pessimistic to me; I have taken note of the poor translation of the text, into French at least (I have not yet had occasion to read the English version) and I realize that Mr Brown's thinking has been somewhat distorted. I must now leave it to the judgment of the Assembly as a whole to decide whether these two amendments should be adopted.

**President.** — I note that no one else wishes to speak.

The motion for a resolution, together with the amendment that has been tabled, will be put to the vote this afternoon during voting time.

The debate is closed.

##### *5. Situation of the Jewish community in the Soviet Union*

**President.** — The next item is the report (Doc. 430/78) drawn up by Mr Berkhouwer on behalf of the Political Affairs Committee on the situation of the Jewish community in the Soviet Union.

As the rapporteur is at this very moment engaged in performing another function, he would simply refer the House to the content of the motion for a resolution that is before it.

I call Mr Jahn to speak on behalf of the Christian-Democratic Group (EPP).

**Mr Jahn.** — (D) Mr President, ladies and gentlemen, the Christian-Democratic Group has made a detailed study of the discriminatory treatment of the Jewish minorities in the Soviet Union and of the treatment of other minorities; our group has also supported the motion by Mr Berkhouwer in the Political Affairs Committee. We view the Helsinki decisions as indivisible. The Soviet Union has recognized — and I stress the word recognized — the final act of Helsinki which requires respect for human rights and fundamental freedom including the freedom of thought, conscience, religion and conviction. Mr Berkhouwer has rightly also pointed out that the Soviet Union has ratified the international pact on civil and political rights. As he stresses, that act stipulates that basic rights must be freely granted to ethnic, religious and linguistic minorities in all countries. The Soviet Union is therefore bound by international law and moral considerations to ensure the full exercise of national, cultural and religious rights and freedoms and respect for the principles set down in the Helsinki final acts.

I feel sure that all of us in this House who have discussed a great many infringements of human rights in Chile and, under previous regimes, in Greece, Portugal and Spain, are convinced that all possible means must be brought to bear to prevent people from being persecuted because of their religious, cultural or racial affiliations; we have also spoken out against the long terms of imprisonment inflicted on individuals who have claimed their rights under the Helsinki acts; Mr Berkhouwer has mentioned in this connection Anatol Schtcharanski, Alexander Ginsburg, Ida Nudel, Vladimir Slepak, Jossif Begun and Gergorij Goldstein.

We believe it appropriate for this Parliament to urge our foreign ministers to demand their release; Parliament should call upon them to make that demand jointly. We condemn the constant infringements of human rights throughout the world, including such infringements in the Soviet Union, just as we condemn the fact that people are being prevented from emigrating and exercising their national, religious and cultural rights and freedoms at home. Minorities and the rights of ethnic groups must be protected. We condemn the action taken against Jewish citizens, just as we condemn the action taken against all other minorities and groups who are suffering the same fate in the Soviet Union, including 1.2 million persons of German origin.

We demand the release of these men and women on whom sentence has been passed and we believe that reference can be made to the final acts of Helsinki in presenting that demand. A special CSCE conference has recently opened in Switzerland and has adopted three agenda items at the start of its proceedings. We note that environmental protection and transport are to be discussed, but we see too that basket three has been shelved and will perhaps not even be considered at this preparatory conference for the later Madrid meeting. We believe that our nine Member States should speak with a single voice on this occasion too, as they did in Helsinki and Belgrade, so that all three baskets of the CSCE Helsinki decisions can be included on the agenda.

Switzerland — and this brings me to my conclusion, Mr President — has proposed that a court of arbitration should be set up for the 35 CSCE countries in which aspects of the Helsinki decisions which are the subject of dispute can be resolved, and we believe that human rights should be included under this heading. If we raise our voice in support of the repressed and persecuted peoples, our voice will certainly be heard — in the Soviet Union as elsewhere. We have done this successfully in the past and only today I have seen a report in the European press that the Soviet Union has expressed its readiness to allow more Jewish citizens to emigrate than has been the case up to now and to adopt a different approach to the legal status of Jewish citizens and other minorities.

That is just one aspect; we believe that freedom of movement must include the right to leave the country in which one is living and that ethnic rights must be accorded to all minorities in the Soviet Union. Mr Berkhouwer, the Christian-Democratic Group is grateful to you for your work on this motion for a resolution. We have discussed it on several occasions in the Political Affairs Committee and fully support the motion.

**President.** — I call Mr Galluzzi.

**Mr Galluzzi.** (I) — Mr President, we shall abstain in the vote on the resolution on the situation of Jewish minorities in the Soviet Union. We shall abstain not because we play down the seriousness of a problem which, in our view, goes beyond this particular issue, but because we believe that the content of the resolution is not politically acceptable, having regard, for example, to the debate which we held in this Parliament some twelve months ago on the general subject of respect for the third basket of the Helsinki conference and for human rights.

We are convinced that we are facing an extremely serious problem which goes beyond the question of the Jewish minority and reflects — as we have repeatedly stated and openly denounced — a disturbing attitude on the part of the Soviet Union to the principles of the Helsinki act and to the whole subject of respect for human freedom and liberties.

We have repeatedly stated to our Soviet comrades, through public declarations in our own country and elsewhere, that our party considers it essential for the Soviet Union to recognize the gravity of the situation and attempt to remedy it — to remedy it as quickly as possible. We also consider it important for Europe — Western Europe and Community Europe — to apply criticism and pressure in order to help to solve this problem. We therefore have no doubts or political reservations about the need for this matter to be tackled and solved in the Soviet Union. As Mr Jahn rightly stated similar situations are facing other minorities, not only in the Soviet Union but also in other countries.

To clarify the reasons for our abstention, despite the fact that we are substantially agreed on the seriousness of the problem and on the need to find a solution to it, I would refer back to our previous debate on human rights. We stated on that occasion — in a debate which showed the support of all the political groups and with which we were ourselves substantially in agreement even if we abstained then too — that the struggle to gain respect for the Helsinki act and more generally for the rights of man, must be impartial and that denunciations must not be directed, for political or other reasons, at any one particular party guilty of violations. We then stated that the aim of the European Parliament must be to do all in its power to put an end to this situation as rapidly as possible in the Soviet Union and in other parts of the Eastern and Western world, and also in the third world. In particular, we said that the situation could not be remedied simply through political and moral pressure; I think it was President Carter who said — and his views were taken up again fully by Willy Brandt at the recent congress of the Socialist International — that we must above all foster the process of international detente

and cooperation between the peoples which is a prerequisite — if not the only condition — for a solution to these problems. Criticism and pressure must therefore form part of a more general action to overcome divisions and fears, in the context of general progress towards greater detente.

Secondly, we said in the previous debate that we must guard against the danger of treating the problem on a sectoral basis, with occasional denunciations and pressure. Why do we say that we must guard against this risk? Above all because the problem of human rights is indivisible, and cannot be approached in one country without taking account of its more general implications. We also felt it inopportune to adopt a position which might appear instrumental and not designed genuinely to safeguard human rights in general. In this resolution today, Parliament is denouncing a serious problem, but it is doing so at time when far more serious and disturbing things are taking place in other parts of the world — for example in Iran. This might give the impression that Parliament's attention is concentrated on specific problems without reference to other — perhaps greater — problems. That is why, Mr President, we already expressed the view in the Political Affairs Committee that it was not politically appropriate — and I say this partly because the sources of information were not completely unbiased since the resolution was based on a resolution of the Jewish community — to give the resolution this particular slant; it might have been better to give it a more general purport focussing on the political substance of the problem and our determination to resolve it not merely through condemnations and criticisms but through a real effort to create the conditions for a solution.

Let me stress again that on this problem of respect for the rights of the Jewish minority and of other minorities in the Soviet Union and on the more general problem of respect for human rights and the rights of all citizens, we have a strong tradition — a tradition of absolute and broad criticism of the approach adopted by the Soviet Union; we consider that approach damaging not merely to the rights of citizens and of minorities but also to the very image of socialism and to the possibilities of development of socialism in general.

**President.** — I call Mrs Dunwoody.

**Mrs Dunwoody.** — Mr President, I think that this is a very interesting and a very good report, and I think that we should not try to use forked tongues when we speak of something as important as human rights. If human rights are important in South Africa, Uganda,

### Dunwoody

or anywhere else in the world, then it is absolutely vital that we should protect such a basic freedom as that of people of a particular religion to follow their bent where it takes them. Unfortunately, the gentleman who has just spoken on behalf of the Communist party seemed to me to be saying that it is acceptable to condemn human rights violations in Africa but that it is not acceptable to condemn such violations when they take place in countries with which, for one reason or another, we are seeking to reach some sort of political agreement. Frankly, that is the road that leads to considerable difficulty and great danger.

There is no need for a great country like the Soviet Union to treat any of its citizens the way that it treats the Jewish community. It is a country with very great virtues and occasionally seems determined to make its vices almost as great as its virtues. It should have sufficient self-confidence to know that it does not in any way lose if its citizens believe that they should follow a particular religion or wish to emigrate to another new State. Surely it should be a compliment to the Soviet Union that its citizens see their role in that light. And I find it difficult, as a Member of a democratically elected parliament, to say to the Russian people strongly enough, 'you must allow freedom of worship. You must allow freedom for at least a free exchange of ideas, if you are to earn the respect and the affection of the rest of the democratic world.' I believe that they are capable of doing this, and I have never understood the campaign that they have carried on against the Jews in Russia. It seems to me to be indefensible and not in any way to enhance the situation in Russia itself. I frankly cannot understand how we can do any harm, if we point to that set of circumstances. After all, if those of us outside Russia itself, who are concerned about what happens in Russia, do not speak in a spirit of friendliness but nevertheless in a spirit of complete honesty, we are not serving the interests of the Russian people, be they Jewish or non-Jewish.

I think that this Parliament has the responsibility of saying that over the centuries too many Jews have been persecuted. It is too simple to use the weasel words that we use when we are trying to seek a compromise. You cannot compromise on something as fundamental as religious freedom and the freedom to follow your own political views. There is no half-way house, and Russia itself is too great not to acknowledge this. If a plea goes out from this Parliament today, it should be a very simple one. It is that the Jewish people have the fundamental right to work-shop freely, to leave Russia freely, to at least believe strongly in the creation of the State of Israel and to go there if they so desire.

It in no way detracts from the situation in the Soviet Union. It in no way undermines their society. When they can freely acknowledge that their citizens have

these very important rights they will be a stronger nation, they will be a better nation and they will be a more fitting partner for those of us in the democratic world.

**President.** —I call Mr Porcu.

**Mr Porcu.** — Mr President, ladies and gentleman, the events of recent weeks have shown, through a number of developments and revelations, that racist and anti-semitic ideology still has a tenacious existence. These facts which have caused such great harm to mankind in the very recent past, are legitimately arousing strong emotions and protests from democrats in every country. Our Assembly cannot remain insensitive to such occurrences. It has a duty to express its condemnation. But can we say that the motion for a resolution before us today responds to the expectations of democrats in every country? I do not think so. To concentrate on one country in denouncing infringements of liberties is to disregard the true extent of the problem, and when the country concerned is the Soviet Union, this clearly appears as a political manoeuvre. On five occasions in less than two years this Assembly has been asked to take up a position on infringements of human rights in the USSR but in the past five years, despite the repeated demands of the communists, it has not once expressed its position on infringements of human rights in the Community countries. I might mention the *Berufsverbot* in the Federal Republic of Germany, the security questionnaire on Community officials, arbitrary internment in Northern Ireland and the lenient attitude to nostalgic supporters of nazism in every country, including France where they even benefit from television programmes.

Of course these infringements of liberties and human rights in our respective countries cannot in any way justify or excuse the infringements of freedom in the Soviet Union which stand in diametrical opposition to our own concept of socialism and to the gigantic effort and sacrifices which that country made, side by side with the allied forces, so that liberty might regain its foothold and spread throughout Europe. The French communists see it as their duty not simply to denounce all infringements of freedom but to act in the defence of freedom wherever it is endangered, regardless of the time, place or country in which the infringements occur; we cannot entertain the possibility of taking refuge behind the argument that restrictive measures are taken against the rights of citizens in conformity with the laws in force in the countries concerned, including the USSR. We say

**Porcu**

with great vehemence that the letter and spirit of the laws must be brought into harmony with the spirit of our age in every country. With all due respect, I would say to the Political Affairs Committee that by limiting your motion for a resolution to certain infringements of freedom in the Soviet Union you are making your whole approach suspect and acting in a biased manner as though you were seeking to settle political scores. To put it quite clearly, it is not enough to set yourselves up as the guardian of freedom in the case of the USSR; you must defend freedom everywhere; regardless of the country concerned and the adversaries and whether they share or reject your philosophical, ideological or religious principles. Freedom, all freedoms, are precious assets. You cannot defend some and allow others to be condemned for the convenience of your political action. We cannot accept that men and women should be imprisoned, persecuted or lose their jobs because of their opinions.

Our position is perfectly clear. Regardless of the country in which liberties are infringed we speak out frankly, and we do so even more in the case of our friends when they are leaders of their countries; we disagree totally when they replace the normal confrontation of ideas by repression of their citizens who do not support official opinions and decisions. In our view there must be no official ideology, no State ideology. The dissenting citizen must enjoy the same respect as all other citizens. The communists unreservedly support the aim of defending human rights throughout the world. Like all forms of racism, anti-semitism is not only an absurdity but also bears within it the seeds of crime and genocide. The communists know enough about this: throughout the sombre episode of nazism they were treated everywhere — in Hitler's Germany and elsewhere — as Judeo-marxists; they were hunted, pursued and exterminated. As I said at the beginning of my speech, we must actively condemn all resurgence of antisemitic feelings and neo-nazi views. I might mention here the scandalous interview granted by a French weekly to Darquier de Pellepoix, the Vichy government's commissioner for Jewish questions and, in that capacity, responsible for the deportation and extermination of tens of thousands of French jews — men, women and children — and the French television programme on Eva Braun whose sole merit was to be Adolf Hitler's mistress; and that same television refused to broadcast the ceremony commemorating the Châteaubriant victims — the twenty-seven who were shot by firing squads at the 'path of Honour'; I might also mention the recent forced resignation of the leader of the Dutch parliamentary christian-democratic group who was obliged to admit that he had been a member of the Waffen SS; we have learnt too that the leader of the christian-democratic group in the Bundestag and the current President of the Federal Republic of Germany were also members of the nazi party.

All these facts arouse emotion and anxiety. In France all the political currents of opinion have expressed strong reprobation. In Luxembourg eighty-nine resisters' organizations meeting in the very place where our Assembly has its seat, have put on record their protests at the Darquier de Pellepoix affair. Echoing those protests, I wish to inform you that during this part-session the Communists will be putting down an oral question on this matter in order to enable a wide-ranging debate to be held during the December part-session.

The resolution now before us is dangerous because it may contribute to the hostile campaign against detente and disarmament. This resolution smacks too strongly of partisan and unilateral exploitation of the subject of human rights for us to be able to lend our voice to those who, under cover of freedom, conduct operations of this kind.

**President.** — I call Mr Hamilton.

**Mr Hamilton.** — Mr President, our Communist colleagues are defending their decision to abstain on this matter, on the principle that because you cannot do everything you should do nothing. I wonder what their attitude would have been if this motion was condemning apartheid in South Africa or events in Iran. I suspect they wouldn't have been abstaining even though it is a matter comparable to the one we are debating this morning. I agree very much with what my colleague, Mrs Dunwoody, said, namely that where human rights are concerned we ought not to pussyfoot, we ought not to equivocate. Wherever and whenever human rights are infringed we ought to condemn it. I don't exclude infringements within the Community.

One of the very great differences between infringements in the Community and infringements inside the Soviet Union is that within the Community, because we believe in democratically elected parliaments and freedom of speech, we can challenge the activities of our own governments and their policies towards human rights wherever infringements occur. In the UK Parliament we can and do raise matters concerning fundamental human rights in Northern Ireland. I daresay similar criticisms are made in the West German Bundestag and in other democratically elected parliaments. That is not the situation in USSR. Now let me say at once that of course I have no objection whatever to the contents of Mr Berkhouwer's report. On the contrary all of us who are concerned with safeguarding human rights and who subscribe to the sentiments expressed in the Helsinki Final Act, must be appalled by the anti-semitism so evident in the USSR today.

**Hamilton**

My one regret is that the report and the motion are too narrowly worded. But of course that is bound to be so given the narrow and restricted nature of the original reference to the Political Affairs Committee in the letter from Mr de La Malène. It specifically refers to the situation of Jews in the USSR. But I think that we all recognize in this Assembly that increasing amounts of evidence are becoming available which show that in the USSR fundamental rights are being denied to large sections of the population. Not least of these is the denial of the right of workers to organize free trade unions. That is why I put forward a motion so widening our condemnation of the USSR and suggesting that this Assembly should attempt to prevent the Olympic Games from being held in the Soviet Union in 1980. Now that motion is being dealt with by the Political Affairs Committee and I understand that you, Mr President, are the rapporteur for that report too and that there is to be a public hearing on these matters. I hope very much that all free trade unions throughout the world, whether within the EEC or outside it, and the International Labour Office will not hesitate to condemn these practices and assist the working people in the USSR to attain their fundamental human rights in this regard.

Therefore, I very much welcome this motion and I hope very much that the Parliament will not only widen its scope in the motion I referred to but also consider some of the other problems referred to by other Communist spokesmen. We have got a lot to put in order within the EEC. But that does not mean that because we have got our own house to put in order we must keep silent when human rights are violated outside the Community.

**President.** — I call Lord St. Oswald.

**Lord St. Oswald.** — As we know, across the centuries Western Europe has grown accustomed to receiving and welcoming successive waves of millions of Jewish immigrants from the East, driven out by persecution. The present situation might be said to resemble the persecution of the Jews in Czarist times. But at that time anti-semitism was based principally on the alleged crime of deicide in regard to Jesus Christ and only to a lesser extent on racialism. It should be pointed out that the Christian churches do not support the charge of deicide.

Today Soviet leaders resemble the Czars in their cruelty, except that their persecution of the Jews is more racial than religious. Soviet Jews are conspicuous, as we all know, for their contributions to Soviet scientific, cultural and artistic life. The Soviet Jewish

success and endeavour is appreciated by Soviet leaders, hence their refusal to allow those who possess classified information to leave the Soviet Union.

Mr Hamilton and others have made an understandable reference to the contrast between the way Jews are treated in the Soviet Union and in our own countries, and that is natural enough. But it should, I think, also be pointed out that the Soviet leaders and the authorities who carry out their orders are in violation of their own recently revised constitution, I will read out the two most relevant articles in the Soviet Constitution, known as the Fundamental Law of the Soviet Union. This law contains the following relevant articles :

*Article 34* 'citizens of the USSR shall be equal before the law irrespective of origin, social and property status, nationality or race, sex, education, language, attitude to religion, type or character of occupation, domicile or other particulars. Equality of rights of citizens of the USSR shall be ensured in all fields of economic, political, social and cultural life'.

*Article 52* 'Freedom of conscience, that is the right to profess any religion and perform religious rites or not to profess any religion and to conduct atheistic propaganda, shall be recognized for all citizens of the USSR. Incitement of hostility and hatred on religious grounds shall be prohibited. The Church in the USSR shall be separated from the State and the school from the church'.

The sheer cynicism with which this is treated and interpreted in the Soviet Union is, of course, matched by the way the Soviet leaders and the authorities violate the rights of millions of Moslem Soviet citizens in Soviet Central Asia. Jewish and Arab leaders might well note the fact that the Soviet leaders are also violating the rights of Christians in Armenia, Georgia, the RSFSR, the Ukraine, Latvia, Lithuania and Estonia. And I would like to see the Political Affairs Committee monitor separately the freedom of Soviet citizens to determine their spiritual and moral aspirations in life.

**President.** — I call Mr Sieglerschmidt.

**Mr Sieglerschmidt.** — (D) Ladies and gentlemen, allow me first to emphatically rebut the charges made by Mr Porcu against leading figures in my own country. We all know, or at least all of us who have lived under a dictatorship or a dictatorial occupying force know, how matters stood in those days and how you cannot now speak in black and white terms about those events. Mr Porcu knows this too because the same principle applies to his own country and to politicians in his own party.



## Siegler Schmidt

I want now to look briefly at another argument put forward by Mr Porcu. He used the term *Berufsverbot* yet again. I do not want to go into the substance of the issue but only to express my expectation that Mr Porcu or others of his French communist colleagues will soon manage to work the *Berufsverbot* even into a agricultural debate. Mr Porcu then complained that in recent years the subject of infringements of human rights in the Soviet Union has been discussed five times. Mr President, I have not actually counted but I suppose that in the same period of time this Parliament had debated infringements of human rights in other parts of the world on close on fifty different occasions. Mr Galluzzi, if we were to do as you suggest and look into infringements of human rights throughout the world we should have to hold a special debate which would, I am afraid, last for several months. For things are as bad as that. That approach would lead nowhere; we can only deal with concrete, specific instances of infringements of human rights. The reason on this occasion was the letter from Mr de la Malène, and I do not think that we can now go into the general subject of infringements of human rights in the Soviet Union; we should rather concentrate on a characteristic sector of such infringements. We can do so particularly satisfactorily because, contrary to what you said, Mr Galluzzi, we have reliable information here; that has already been pointed out. Some time ago I offered to provide a list of names to a Soviet politician who doubted the figures of requests for emigration permits. He did not take that offer up. The names are available, Mr Galluzzi, and can you deny that the trials of Ginsburg, Schtcharanski and others actually took place? All that is already known. It is also quite true that authorizations for Jews to leave the Soviet Union are issued in waves and at present, Mr President, the situation is again rather more positive. Unfortunately the permits are given in waves and the number of those who are unable to leave, although they wish to do so, is still vastly greater than the number of those who are authorized to emigrate. Then again, Mr President, we almost have the impression that liberalization of emigration is being used as an opportunity for even sharper repression of the Jews who remain in the Soviet Union. One final remark on this point, Mr President.

The resolution refers to the resurgence of anti-semitism in the Soviet Union of which we have already spoken on other occasions — in so far as the term 'resurgence' is appropriate in the case of the Soviet Union. This matter is well documented, and the documents should really be made available to this Parliament: newspapers; periodicals, leaflets and films seek to arouse anti-semitic feelings in the most revolting manner. Mr President, I know only too well that in my own country there was once terrible anti-semitism with horrifying consequences. That anti-semitism was based on an abstruse philosophy and was not primarily used as an instrument but was an offshoot of

that abstruse philosophy of the nazis. On this occasion something different is happening, Mr President. Anti-semitism is being used now to defame a population group against which the authorities wish to take action for a variety of reasons. I consider it extremely dangerous — I say this as a German and I know what I am talking about — for this old fire to be fanned again. It is irresponsible to use this dangerous instrument; Mr President, that alone would be reason for me to vote in favour of the resolution and I urge the whole House to do likewise.

**President.** — I call Mr Prescott.

**Mr Prescott.** — Mr President, owing to circumstances which were not entirely in my control, I have had to miss part of this debate. I therefore apologize to the House and to those whose contributions to this debate I was unable to hear. However, I wish to make my contribution on a principle that is involved in the decision on this particular resolution, and presumably in decisions that this House may well be making in the next months. I want to join with those who have made it clear — and most speakers have done so — that we need to condemn violations of human rights wherever they appear. I think people have mentioned specific countries, whether it be my own in regard to Northern Ireland — where clearly there have been breaches of human rights and we have been taken to the courts for them — or any others. We have expressed our condemnation, both in this Parliament and in my Parliament at home, wherever fears regarding the observance of human rights, provoked by certain happenings, whether in France or in Germany, have been matters of debate; so we have consistently made the point that breaches of human rights are not confined to developing countries to certain Eastern countries but that we have our share of the problems in our own particular countries also. And indeed we have to be consistent in making that point. We have clearly made it about Lomé, we have condemned the situation in South Africa, and in this particular resolution we are addressing our remarks to the USSR. I think it is very important that wherever breaches of human rights occur we are impartial about them and condemn them. I might also make the much more controversial point that there have been breaches of human rights in Palestine involving the Israel forces as well, so there is, frankly speaking, no single country that is not guilty of breaches of human rights in one form or another. I do not say that they are exactly the same, but I do say that when we consider the activities of this Assembly, we do tend to find a certain partiality in the condemnation of human rights, so it is quite clear that it is important for all of us, and particularly for the authority of this Assembly, when expressing an opinion, to be consistently impartial in the condemnation of breaches of human rights.

### Prescott

Therefore, I think, the first problem is that this resolution, for a number of reasons, is in itself very narrow and, particularly in some regards, partial. I do not think there is any doubt on the evidence we have seen, whether in the usual forms provided by the media or in statements made by people who have been involved, that there are breaches of human rights in the USSR. I and one or two others rather take the view that they are not limited to the Jewish community in Russia: there are many other religious groups in the USSR that are being persecuted; there are political minorities, not of Jewish faith, who are being persecuted and subjected to breaches of human rights in the USSR, so the first point is to make clear that, even though the reference here may be to the Jewish minority in the USSR, it does tend to offend against the principle that one should not be partial about this matter: if we are honest about it, there are other groups in the USSR which are facing breaches of human rights equally as important as those affecting one of those groups as mentioned in this particular resolution until we changed it — namely, the Jewish community. That is the first point we want to make clear, and did try to make clear by amending certain parts of this resolution — not quite satisfactorily, I might add, but certainly so as at least to acknowledge that there were other groups.

The second point is that the resolution has accepted whatever evidence is available, and some of my colleagues have mentioned some parts of that evidence as alleged in this particular resolution. One of the differences, of course, in our own particular circumstances, as was pointed out by Mr Hamilton, is the fact that we do hold hearings, in the Council of Europe and before the Courts, in order to arrive at an impartial judgement on the substance of these charges of breaches of human rights. Indeed, parliaments in certain countries can raise these matters, and although the views expressed may be minority views in those parliaments, there is still an opportunity to express concern. Such opportunities certainly do not seem to be available in the USSR, but I really want to come to that point in a second when talking about establishing the substance of the allegations before us. I think we as a group, the Socialist Group, can readily say that we have sought to condemn breaches of human rights wherever they have occurred and have supported all resolutions to that effect. I am not so sure that the same can be said about other groups.

### *(Protests)*

I mean other groups collectively, because there are individuals in other groups who have honourably taken part in supporting an attitude of condemnation, but their groups as such have not. I am specifically referring here, of course, to the controversial debate on the Argentine hearing; and I might add in that connection that, whilst we wished to establish by

some form of hearing the charges that were made by Amnesty about breaches of human rights, it is quite clear that we were not supported in that. In particular, we were not supported by certain parties, including one from my own country, the Conservative Party, who by walking out of this Assembly frustrated the will of Parliament to attain a two-thirds majority, and are now making speeches about condemning certain breaches of human rights in the USSR. Frankly, that is the worst kind of action, which undermines the authority of any assembly, if you begin to be at all partial about your approach to the human rights situation. And I might add that there has been an awful lot of antisemitic activity in Argentina, as our Jewish friends tell us. So we are not solely concerned here with Russia, but we were not able to get the same kind of support from certain political parties in this House. So I think the important point for us to bear in mind is the consistency of the argument and the need not to be selective in our condemnation. I have chosen here to make the point about the Conservative Party, but it is not alone. As to the Communist party, I may say the speeches I have heard today were different speeches from those in regard to Lomé, when we were trying to get the executive clause on human rights. I think it is right that they must answer the argument made by Mr Hamilton that in view of their condemnation of Iran and South Africa in resolutions before this House they really cannot seek to be selective and go on to argue an impartiality of argument when it comes to the USSR. I think that would tend to undermine the authority of this Assembly and would, quite frankly, appear to be very partial, as well as representing the development of a double standard, which is the worst sort of thing that can happen to the argument on human rights.

In finishing, Mr President, my main concern about this particular resolution relates to the circumstances and events that have probably brought it about. For example, it is clear that this House, in passing this resolution, is convinced in its mind that there are breaches in human rights in the USSR, particularly in regard to the Jewish minority — and we have extended it a little further to certain others in include to Reply allegations. But the resolution goes on further to make it clear that it has arrived at a conclusive opinion that these breaches are taking place, and condemns them. You, Mr President, are the rapporteur for this resolution, and I think this creates a certain problem for us. As you are aware, and as the House will be aware, the Political Affairs Committee has now accepted the resolution of Mr Hamilton to have a hearing into matters of human rights, specifically in regard to taking possible sanctions concerning the Olympic Games. Now, the dilemma I personally found in committee, and the members of the committee will be aware of it, because I made this point as strongly as I could in the committee, was that on the one hand we are going to have a hearing, presumably in the next month or so, into matters of human rights breaches in the USSR, while on the other we

**Prescott**

are to pass a resolution presumably here today, saying we are convinced they take place.

Now, I do not know what the purpose of a hearing is, if it is not somehow to substantiate allegations that are made about human rights. That is why we held the one in regard to the Argentine. I think we will put ourselves in a rather stupid position, if on the one hand we say, yes, we are now convinced that the evidence we have is sufficient to condemn, but in two month's time we are going to review the evidence again and come to another opinion and report back to this Assembly. Now I think that opens us to the attack of reaching our conclusions before we have the hearing, and then having a hearing in order to go through the same process again. And if it is the same forces that are calling for that hearing, such as Mr Berkhouwer, who was the strong force, frankly, involved in stopping the Argentina hearing, who demand we go through another hearing in order to condemn something that we have reached a conclusion about, that is a kind of double standard that I think will undermine the authority of the opinion of this House. The only logical way out of that process would be to say that that hearing will no longer deal with breaches of human rights concerning the Jewish minority in the USSR, because we have reached a conclusion about that. We will have a hearing into those other minorities, in respect of which we have as yet not reached a conclusion. I think that we are going to find ourselves in a rather stupid position, if we are to have a hearing and not consider the allegations made by the Jewish community, which I think are very largely substantiated.

If we are involved in a hearing, we have the obligation at least to appear to be listening to the evidence before reaching our conclusion. This resolution puts the House in the position of saying, yes, we have reached a conclusion, but we are going to have a hearing in a couple of months to say the same thing again. Now I cannot see how we can be impartial in our approach to that hearing, if we arrive at a conclusion before having the hearing.

Finally, Mr President, I think the matter is made all the more difficult — and I am sorry that Mr Berkhouwer is not there : I thought he would have been in the chair during this debate, but he has just been relieved — by the fact that we will have the same rapporteur who tabled this resolution acting as the rapporteur for the Russian hearing. Quite frankly, if the House wishes to avoid being an easy target for attack by people whom it may be investigating, in this case the USSR, then it seems to me we should think about the risk of laying ourselves open to a kind of double-standard argument. I have serious reservations, not on some of the substance of the arguments, but on the procedures we seem to be embarked upon. I

failed to get the Political Affairs Committee to accept that these would put us in this rather stupid position. I can only hope that when it comes to the vote tomorrow, Members may exercise their minds as to whether it is right at this stage to put this House into this kind of dilemma, in which, most importantly, it might compromise whatever findings are reached in the public hearing on which we have embarked.

**IN THE CHAIR : MR HOLST***Vice-President*

**President.** I call Mr Brown.

**Mr Brown.** — Mr President, I too would like to add my voice to those who have already spoken on the importance of our attitude in this Assembly to the human rights issue. My colleague, Mr Prescott, advanced what I thought was a very interesting argument a moment ago, but I would like to say to him, as I say to so many others, that you can have a long elliptical tortuous argument, trying to justify everything on the way, and yet prove nothing. When we talk today about the Soviet Union, we are talking about a sophisticated country that can send men into space for three months. No other country can do it yet, but they can. We are not talking about uncivilised countries ; we are talking about people who have deliberately made a profession of denying human rights. They are not infringing them, they are denying them. They are destroying them.

I recall that in this Assembly just a few months ago I raised with the President-in-Office the matter of the Bremen Conference, which had a whole paragraph in its final communiqué about South Africa but not a word about the Soviet Union. When I put it to him that if he was going to argue about human rights, it must be across the board, as my colleague has just said, he justified not mentioning the Soviet Union on the basis that we are getting something out of them, so he said. We are getting a few more people across the wall. But that is not human rights. It is really kow-towing to those who are condemning them. Because they give you a crumb from the table, you say that is good. No crum from the table is good enough.

I am not on the Political Affairs Committee, but if my colleague, Mr Prescott, had something to do with enlarging paragraph 1, I am pleased that he did so, because we are not just talking about Jewish people in the Soviet Union but about all peoples in the Soviet Union. However, I do not believe that he is now right to say that if the Political Affairs Committee decide to have a public hearing on whether or not we should take further action with regard to the Olympic Games, that would be somehow compromising. It is not.

**Mr Prescott.** — What we are discussing today is a major principle, and I am so sad to hear our colleagues from Italy taking the line they are taking. I believe that in this Assembly they have shown themselves to be very broad in their thinking and willing to challenge and argue basic issues, yet this morning I was saddened to hear my colleague saying that they knew it was wrong and that the Communist party admitted absolutely that it was wrong. That I do not understand. If it is wrong, it must continue to be wrong. They should know more than most what it is like to have people say, 'Well I am on their side but, on the other hand, I dare not speak in their favour'. This is how it was in every country in the world where the Communists failed to get support simply because people were afraid to speak up on their behalf. And to hear them say today that they too are taking exactly the same attitude seems rather sad indeed.

I can only hope the Assembly will understand that human rights cannot be just a matter of pawns on a chessboard and talking about people as if they did not matter. Human rights must be absolute and they cannot in any way be changed or traded. The kind of horse-trading the President-in-Office was talking about is inadmissible — allowing people to do what they like, provided some families can move across the wall. That is not human rights; that is just horse-trading, and I reject that whole philosophy.

I think this Assembly today can once again put it on record that we are not treating with any country that does not allow its subjects the basic human rights to which they are entitled. We have singled out the Soviet Union, and there are many others at whom we can point the finger. I agree with the point made by my colleague, Mr Prescott, that while there can be breaches of human rights in various countries because of the frailty of individuals — and he identified our own country, where he feels he can prove there have been these infringements — we are talking about something different. We are talking about a situation where a nation is making a downright policy of the withdrawal of human rights. That is really what this House has to make up its mind about today. I shall be supporting fully the motion for a resolution.

**President.** — I call Mr Normanton.

**Mr Normanton.** — Mr President, I am delighted to have the opportunity of speaking after Mr Brown, and I stand very solidly and firmly behind the basic fundamental tenet of faith which he spelt out so forcibly and with such conviction. This is something about which we must be consistent and I only wish that I could have said to Mr Berkhouwer, your initiative is timely but frankly it is twenty to thirty years late. We

should have been saying what is being said this morning throughout the last twenty or thirty years. For far too long and for dubious and somewhat devious reasons we have been silent and it is appropriate that we should speak up and speak out and be consistent. I am delighted to hear that there is going to be a public hearing because I was going to introduce into this debate a long series of examples of ways in which the calculated and clearly intentional campaign is being pursued in the Soviet Union. I won't take up the time of this House to do so today, but I rely upon that public hearing to bring forward massive evidence of the ways in which those who stick their necks out, so to speak, and ask to leave, to vote with their feet, are denied even that basic right. And then you have the ways in which people are being held as hostages.

**Mr Prescott.** — What about the Argentine!

**Mr Normanton.** — Mr President, I am not going to indulge in cross-the-floor repartee with Mr Prescott; this is quite irrelevant and I don't think the House will pay any attention to it. All this, Mr President, is reminiscent of 1933, and we know what happened later because we in Europe refused to believe that it could happen here. It could and did, and we Europeans paid the price for that sort of irresponsibility. As far as I am concerned and as far as my group is concerned I think that we should in fact carry this much farther than the resolutions do.

I firmly believe that we are condoning and indeed contributing to the policies which are being pursued in the Soviet Union by financing her purchases, by actually transferring our technology to her, by enabling her to become a highly sophisticated, technologically based economy, as long as she continues to pursue these policies. I won't take any more time of the House up but I will simply conclude with this particular point. I believe that the comparison between the USSR and Argentina and Chile and several other countries to which there has already been a reference has indeed a considerable element of substance. But the one difference between those countries and the Soviet Union is that in the other countries people can vote with their feet but the people in the Soviet Union cannot even do that. And when we consider that the way in which the basic human right to vote with one's feet is denied in the German Democratic Republic it becomes evident that we are blinding ourselves to the dangers much closer to Western Europe. As long as people are deprived of the right to vote and express their basic rights, as long as we refuse to recognize this fact and to act on it, so long will we in a sense be indictable before world opinion.

## Normanton

The report refers to the USSR and the Jewish minority. But let us not forget that so long as the barbed wire fence and the minefield are allowed to stand, there are others of different races, of different faith, who are also in exactly the same position. I hope the House will be consistent and indeed add that it is firmly committed to liberating those people just as much as I and other Members around this House support the liberation of those who are being discriminated against because of their religion, their faith and their convictions in the Soviet Union. Until that barbed wire and the minefields keeping people in are dismantled, our trading, our financing and our visits to the Soviet Union will be used to further the violation of the rights of these people with whom Mr Berkhouwer's report deals. Western Europe will be repeating in 1978 exactly the same mistake it made in 1933, that is something we ought to bear constantly in our minds when discussing the subject.

**President.** I call Mr Bertrand.

**Mr Bertrand, chairman of the Political Affairs Committee.** — (NL) Mr President, I have asked to speak in my capacity as chairman of the Political Affairs Committee because I want to appeal to this Assembly to refrain from attempting to make any distinction between the degrees to which its various members defend human rights. I think that we all belong to democratic countries and democratic parties and stand by the principle of respect for and recognition of the freedom and fundamental rights of every citizen. Our opinions merely differ on the tactics and procedures to be used to attain this end and I would appeal to you to take account of this observation.

Secondly, I want to remind the Assembly that on 11 May 1977 we adopted a resolution on the protection and defence of human rights throughout the world; that resolution called upon the Political Affairs Committee to keep a close watch on infringements of the rights of man wherever they might occur. That is our normal task as a political committee. Whenever a minority makes an appeal to the European Parliament and the Bureau refers that appeal to the Political Affairs Committee to report on it, we do precisely that.

Well now, the Jewish community in the Soviet Union appealed to us, through a letter from a member of this Parliament, to give consideration to a specific problem I would say at this point to my colleague, Mr Prescott, that we are not a court of law. We are not here to judge in the light of evidence the actual extent of an infringement; that is a task for the courts. We are a political Assembly. When we are informed of certain infringements which may occur anywhere in the world accompanied by legal sentences and measures of exclusion handed down in the manner referred to by Mr Brown — whom I wish to thank for putting

the issue in its true perspective — we must determine our position on the matter as a political Assembly. We are not here to pass judgement, we are not a court; we can only adopt a position of protest against these infringements.

It is indeed true, Mr Prescott, that the Estonians, Lithuanians and Ukrainians and many other groups in Russia are the victims of persecution and also subject to a number of inhuman restrictions.

This is a known fact and we also say so implicitly in paragraph two of the resolution which refers not merely to the Jewish community but to all persons who are sentenced. The very least that we can demand in this Parliament is that a country which has ratified a treaty in due form should proceed to respect that treaty. In 1966 the Soviet Union ratified the international treaties on civil rights and political rights and it must now respect those treaties. In August 1975 it signed the final act of Helsinki and undertook to implement certain measures. If it fails to do so, it is our duty to draw attention to the fact and to call the state to account for failing to implement the commitments given when it signed the international treaties. That is the significance of the resolution on which we are voting today in connection with the appeal of a minority group whose members wish to be respected as Soviet citizens with all the rights which flow from that citizenship, and also the freedoms that they are entitled to demand on the basis of the Soviet Union's signature of the international pacts. I wanted to make this point today to avoid misunderstandings between us and to enable us to adopt a unanimous stand, whenever necessary, in favour of the rights of man. We appeal to international agencies, to our governments and to the Commission and Council to demand respect by the Soviet Union for the pacts which it has ratified and to make it perfectly clear that they cannot agree to the actions of that country.

In response to Mr Normanton's remarks I would say this: please let us be careful about economic sanctions and the like! We already have enough experience of economic sanctions which are enforced all over the place and mean precisely nothing because we still place our trade relations above all else. We have failed to make them conditional on respect for human rights. Where there is money to be made we trade with these countries. Let us not then adopt a hypocritical attitude but ask rather for treaties to be respected, and see how we can apply the requisite pressure. I wish to stress this again in my capacity as chairman of the Political Affairs Committee, because in months to come we shall have to prepare a good many reports on infringements of human rights and shall in future probably have to take repeated action to highlight serious cases and appeal to world public opinion to give the necessary attention to this problem in a spirit of active awareness. Mr President, I am deeply

**Betrand**

saddened by the general disinterest and hardening of men's minds in the democratic countries in face of the terrible acts committed against their fellow human beings in other countries. We sit in front of our television screens and remain unmoved as we reach for another glass of whisky and a cigar. As we sit comfortably in our armchairs we look and listen but we are unmoved; we are no longer shocked or repelled by what is happening. And so we are unable to arouse public opinion in a massive and spontaneous protest against actions which are not compatible with human dignity. I wanted to make this clear to underline the broad implications of the present resolution. Thank you.

*(Applause)*

— **President.** — I call Mr Covelli.

**Mr Covelli.** — *(I)* Mr President, ladies and gentlemen, I simply wish to express my full support for Mr Berkhouwer's motion for a resolution and to say that I am not surprised that we have had such an extensive debate, for it could not remain confined to the essential facts which the Political Affairs Committee had already discussed. I might not have

asked to speak if I had had the opportunity of listening first to Mr Brown whom I sincerely congratulate for having said plainly what needed to be said. I would add that the strongest communist speaker in the House was Mr Prescott: I have already said this in the Political Affairs Committee whenever we have discussed what attitude to take and what charges we should make on the subject of the violation of human rights.

In my view, Mr Galluzzi was much more honest, much clearer and much more cautious than Mr Prescott. In conceding that what is happening in the Soviet Union brings dishonour to socialism — if socialism there is in the Soviet Union — Mr Galluzzi gave the debate the wider dimension in which the problem of human rights should be placed. And perhaps he would be right if there were not a number of special cases and specific allegations to which the European Community and the European Parliament cannot remain insensitive. The argument here is simple in the extreme: the Soviet Union approved and ratified the Helsinki Final Act which made reference to the observance of human rights, including fundamental freedoms etc. The Soviet Union approved the international convention on civil and political rights adopted by the United Nations Assembly: those are specific facts which give rise to specific charges and we should have to be hypocrites, not to say fools, to dispute the truth of those facts and of those charges, and when a member of this House, like Mr Prescott, says, as he is free to say, that the European Parliament would make itself ridiculous by harping on those charges without placing them in a

wider context, I would reply that the European Parliament would make itself ridiculous if it failed to speak up — and speak up immediately — against the blatant violation of civil and human rights in the Soviet Union. Anyone who, like some in my own country, has realised what it means when civil rights are flouted as they have been in the past twenty years and when Jewish minorities are persecuted, is bound to take the view that whenever a problem of this kind arises in any part of the world, the European Parliament, as a body which has championed freedom in every way and in every part of the world, cannot prevaricate in specific cases such as this by pointing to other problems but must do what is its duty. I would even say that Mr Berkhouwer's motion for a resolution is circumspect when it recommends that at the next meeting in Madrid, the Soviet Union should be 'urged' to observe human rights; I would say that violations of human rights — and we have had approval for this on numerous occasions and from many sides — should be challenged and denounced. By supporting the resolution, I wish to give credit to the European Parliament for having taken this initiative through Mr Berkhouwer and the European Parliament will do credit to itself by approving the resolution and, in so doing, will be well placed to come to the defence of human rights on future occasions throughout the civilized world.

**President.** — I call Mr Brunner.

**Mr Brunner, Member of the Commission.** — *(D)* Mr President, the Commission has no authority in the matters under discussion and I must therefore observe the utmost discretion. To my mind, the question of human rights cannot be dissociated from the lives of individuals. In discussing this question, I feel that every effort must be made to avoid abstractions and statements that reflect political divisions and generate all too readily into propaganda. We must always ask ourselves what we can do to help other people. And here we must seek the right balance between public support for human rights that marries all political trends in the European Community and direct but necessarily discrete intervention with the governments concerned. I believe that this is where the crux of the matter lies and in this specific instance involving questions of human rights which reach into the sphere of relations between East and West, action on the public front is not enough; we are all faced with an obligation here, which stems from the Helsinki Final Act. It is the obligation to go on working towards détente, which is the only way to create the climate in which human rights can be guaranteed for everyone in Europe and perhaps also throughout the world.

**President.** No one else wishes to speak?

The motion for a resolution as it stands will be put to the vote this afternoon during voting time.

## 6. *Technical barriers to trade*

**President.** — The next item on the agenda is the oral question with debate by Mr Nyborg, on behalf of the Committee on Economic and Monetary Affairs, to the Commission :

Subject : new procedure for the elimination of technical barriers to trade

On several occasions since 1974<sup>1</sup>, the European Parliament has sought a simplification of procedure in this field : by virtue of outline directives for the various sectors, the Commission is empowered to take detailed implementing measures on its own authority pursuant to Article 155 of the EEC treaty.

Before the Committee on Economic and Monetary Affairs and the European Parliament<sup>2</sup>, the Commission has undertaken to prepare a proposal for a directive on building materials, on the basis of this simplified procedure.

When will the Commission be submitting this proposal to the Council and the European Parliament ?

I call Mr Nyborg.

**Mr Nyborg.** — (DK) Mr President, I shall confine myself to a very brief introduction of this question, since Recognition of the problem is growing.

There are two reasons in particular why we have again raised this question. The first is that, in the Committee on Economic Affairs and in other committees, we are constantly burdened by a long list of proposals for directives aimed at removing technical barriers to trade for example static tests for the protection of tractor drivers, twoing devices or reserve on similar vehicles. The proposals reach us piecemeal, using the well-known and often criticized salami tactic so that Parliament never has the opportunity of dealing with them in groups. As far as I know none of the Members of Parliament has the technical expertise required to deal with these technical details. This lessens respect for Parliament since, if we continue to spend a lot of time on topics of this kind we shall not have enough time left to deal with more important matters.

As far back as 1974, the European Parliament, at the request of the Committee on Economic and Monetary Affairs, asked for a new simplified procedure for eliminating technical barriers to trade. This request was repeated several times and the Commission has also on many occasions undertaken to go along with Parliament in this area and we are also aware that the

Commission is drawing up a proposal on building material on the basis of this new principle. But it is taking a long time to submit this proposal.

The second reason is that, an oral question with debate on the harmonization of the legislation of Member States as dealt with in Strasbourg at the beginning of the October part-session. On that occasion I inquired about the Commission's proposal and I am bound to say that the President, Mr Roy Jenkins, gave a reply which, in the opinion of the Committee on Economic and Monetary Affairs left the Commission's position in doubt. I hope that it was a misunderstanding and that Mr Jenkins simply did not understand the question I put to him and I further hope that the Commission can now tell us exactly when the proposal will be submitted. If so, I propose that we abstain from holding a long debate, but if on the other hand the Commission is unable to indicate a precise date, I feel it will soon be time for the European Parliament to emphatically point out to the Commission that this has been going on too long.

**President.** — I call Mr Brunner.

**Mr Brunner, Member of the Commission.** — (D) The Commission will directive on 22 November. The draft will be forwarded to Parliament and the Council within the next few days. I think that this answers the question satisfactorily.

**President.** — I call Mr Nyborg.

**Mr Nyborg.** — (DK) Mr President, I merely wish, in conclusion, to thank the Commission and to ask Commissioner Brunner to convey my thanks to Mr Davignon for the quick reply. I hope indeed that on 22 November the Commission will be able to decide to put forward the proposal referred to so that we can arrive at a time-saving and economic procedure and deal with these matters efficiently.

**President.** — The debate is closed.

The proceedings will now be suspended until 3 p.m.

The House will rise.

(The sitting was suspended at 1.15 p.m. and resumed at 3.05 p.m.)

IN THE CHAIR : MR COLOMBO

*President*

**President.** — The sitting is open.

<sup>1</sup> OJ C 5 of 8. 1. 1975, page 41 and OJ C 125, of 8. 6. 1976, page 43

<sup>2</sup> Proceedings of the European Parliament 13. 5. 1976.

### 7. Question Time

**President.** — The next item on the agenda is the first part of Question Time (Doc. 431/78)

We begin with the questions addressed to the Commission.

I call Question No. 1 by Mr Corrie :

What is the Commission doing to ensure that services which are being, or could be, provided by independent airlines within the Community (often between parts of the Community not previously linked directly) are not jeopardized by subsidized competition and unfair practices from state airlines ?

**Mr Vouel.** — (F) At the present time each Member State decides on the air links between the regions of its own territory and with regions of other Member States and which airline shall operate these routes. The Member States also decide the operating conditions. Independent airlines and state controlled airlines are subject to the same rules. At the present time there are narrow limits on competition between air transport services. In the absence of a special regulation in this area the Commission deals with presumed breaches of the EEC competition rules on the basis of the procedures laid down in Article 89 of the Treaty of Rome. The point to be stressed is that the field of application of the rules laid down in the Treaty is limited to those cases which have at least a potential effect on trade between the Member States. The Honourable Member is undoubtedly aware that the Commission is currently drawing up the regulation to which I have just referred so that it will be better able to implement fully the rules of competition in this sector.

**Mr Corrie.** — Would the Commissioner accept that the present fare structures, both within and between the Member States of the Community, are unrealistic and a total disgrace and that the Treaty is being flouted by State airlines ? And will the Commissioner continue to scrutinize the practices of State airlines, such as closing routes to independent airlines and, in the case of British Airways, the proposal to operate so-called discount shops which do not really offer discounts ? Would the Commission consider the possibility of working out with governments some system whereby routes would be put up for auction, say every five years, so that airlines could bargain for those routes, and give the best service at the lowest possible price to the consumer ?

**Mr Vouel.** — (F) I agree with the Honourable Member that current air service structures clearly need to be scrutinized. With regard to the second part of his question I would again point out that the Commission cannot take action on the basis of the rules of

competition until such time as a distortion of competition, i.e. distortion of trade between Member States, has occurred. As long as this situation does not arise, the Commission cannot intervene. This, however, does not mean that the Commission would not act if it received a complaint based on the rules of competition from a private airline company or an airline company working with a government.

**Mr Osborn.** — What action is being taken by governments on the one hand and airlines on the other to look into this question of fare structures, and is it not also a fact that the main cost is the cost of landing and taking off ? Will the Commission bear in mind that the cheapest fare from Paris to Copenhagen is by an independent line via New York rather than by direct scheduled services ? There are one or two anomalies in this field, and would they not deserve further investigation in conjunction with the airlines ?

**Mr Vouel.** — (F) The Commission is not yet ready to go into all these details. What it is doing is defining the field of action of governments, their respective roles and the role of undertakings in the air service sector, with a view to drawing up its regulation. When the regulation is ready it will be submitted to national experts at which time we shall certainly have the opportunity of studying the technical problems in detail.

**Mr Jahn.** — (D) If the Commission has already begun the investigation, can it indicate which so-called independent airlines are engaging in this kind of competition ? It would be useful to know the identity of the companies concerned.

**Mr Vouel.** — (F) The Commission has begun its enquiries with regard to the Member States. It is currently going through the replies it has received to the questionnaires and it will follow the procedure I have just described.

If necessary the Commission envisages, at a later date, contacting the airlines directly, either by means of a questionnaire or by individual contact.

**President.** — I call Question No 2 by Lord Bessborough :

When will the Joint Committee envisaged in the agreement convene, what will be its composition, and what matters does the Commission intend to put on the agenda of the Joint Committee in the light of Commissioner Haferkamp's visit to Peking ?

**Mr Brunner.** — *Member of the Commission* — (D) The Joint Committee will meet in Peking at the beginning of the year. We are already working with the Chinese towards an agreement on its composition. An agreement on the topics to be discussed at the first sittings has still to be worked out with the Chinese.



**Lord Bessborough.** — Mr President, when on the basis of my last oral question Parliament debated the implementation of a trade agreement with China, the Commissioner, Mr Haferkamp, — I am sorry not to see him today, we do not often see him — undertook to consult industry. I wonder whether the Commission and indeed Commissioner Brunner, who is a personal friend, could tell me which sectors of industry have been consulted by Mr Haferkamp so far on the implementation of the agreement and the establishment of working parties, and would the Commission publish a list of the firms and individuals whose advice Mr Haferkamp has sought?

**Mr Brunner.** — (D) Mr Haferkamp will undoubtedly be able to provide the Honourable Member with details of the stage reached in the agreement. Initial contact has already been made with the Member States and industry. Further contacts are still needed and have to be integrated in the compacts with the Chinese.

**Mr Hamilton.** — Can the Commission state at this point whether a common view is being formulated or has been formulated in the Community on the question of the sale of military equipment to China, and whether there is a view on the question of the bilateral arrangements which the UK hopes to reach with China on the sale of Harrier aircraft?

**Mr Brunner.** — (D) I am not aware that a position has already been worked out on this matter. It is too early to answer this question. As you are aware, the matter is being discussed in other circles, for example NATO.

**Mr Jahn.** — (D) In view of the fact that individual countries have already begun negotiations on economic and foreign trade agreements with China, I would ask the Commission whether the Nine have, from the beginning, coordinated their economic and trade policy with China?

**Mr Brunner.** — (D) The Honourable Member is aware that we have an agreement with the People's Republic of China. This agreement was concluded on the basis of very careful coordination between the Member States. Moreover there is close coordination between the Member States in dealing with matters which arise in implementing the agreement.

**Mr Brown.** — May I ask whether in conjunction with the proposed discussions with industry, it is also proposed to consult the trade unions, representing Europe? It does seem to me, in this new attempt to create an atmosphere between ourselves and China, that the trade unions ought to be in at the ground-floor level, so as to be able to give us the benefit of their views and ideas.

**Mr Brunner.** — (D) All interested parties will, of course, be consulted in good time. This includes the trade unions. As I said, this applies primarily to the governments. Consultations are already under way.

**Mr Spicer.** — Mr President, I am sure the Commissioner will accept that we all know that he has no direct responsibility for these negotiations, but I wonder if his attention and the attention of this colleagues has been drawn to the growth of trade between Japan and China. Given the dramatic scope for increase in trade that is available there, would he not accept that our efforts are quite puny beside those made by Japan and that we as a Community really must give a much higher priority to trade with China over the next two or three years?

**Mr Brunner.** — (D) Community efforts in this sector supplement the efforts of the Member States and those directly concerned. Very close and vigorous contacts have taken place in recent years. As you are aware, Mr Haferkamp went to Peking recently with a very large delegation. The visit will be followed by detailed discussions within the Joint Committee. I feel that no-one can say that the Community has neglected trade with China.

**President.** — I call Question No 3 by Mr Normanton:

A report by the Swedish consulting agency, Petrostudies, claims that the Soviet Union will capture by 1985 nearly a quarter of the West European market for crude oil and refined products. In the view of the Community's need for diversified sources of crude oil and the need to make better use of excess refinery capacity, what is the Commission's policy in regard to Community imports of Soviet crude oil and refined products?

**Mr Brunner, Member of the Commission.** — (D) There is nothing in the data at our disposal to indicate that, in the near future, exports from the Soviet Union will account for up to 25 % of the European Community's crude oil imports. We would welcome an intensification of trade in crude oil. With regard to refined products, you are aware of the difficult situation in the European refinery industry. We are suffering from overcapacity. The Commission has proposed to the Council the setting up of a consultation-system, a system of dealing statistically with imports with a view to reducing this overcapacity. So far the Council has not taken a decision.

Nonetheless even in the absence of this decision, the overcapacity in the European Community must be taken into consideration when it is a question of increasing trade in refined products with the Soviet Union or other third countries. Certain limits have to be observed but, these limits are flexible.

**Mr Normanton.** — Quite apart from whatever share of the West European market is captured by the USSR, would the Commissioner not agree that, as at today's date, all oil and gas supplies to Britain flowing from the North Sea are, so to speak, by courtesy of the USSR and that the same applies to oil and gas flowing from behind the Iron Curtain into Germany and feeding German heavy industry in particular. Would he not agree that this vulnerability to interruption is a matter of deep and growing concern to those responsible for European energy policy and to the people of Europe as a whole?

**Mr Brunner.** — (D) Our energy policy as a whole is clearly aimed at reducing dependence on oil imports. We have made some initial progress in this area, but it is far from sufficient. The process of reducing this dependence will take a long time. Our dependence cannot be abolished overnight. This, however, does not mean that we wish to reduce our trade with third countries, including the Soviet Union. We wish vigorous trade to continue. However, at the same time, we want to make an effort to reduce this dependence.

**President.** — I call Question No 4 by Mr Herbert, for whom Mr Brugh is deputizing:

Does the Commission intend to immediately eliminate the continuing anomaly whereby export refunds for boneless pork are the same as export refunds for pork sides?

**Mr Vouel, Member of the Commission.** — (F) The Commission does not fully accept the Honourable Member argument. Export refunds for boneless pork should not necessarily be higher than those for pork sides, since the refunds are based, not only on the value of the meat, but also on the state of the market. Because of the current cyclic overproduction in this area there are better opportunities for additional exports of sides than for boneless meat. There is therefore no anomaly in the current situation. The Commission, however, is nonetheless following the market situation closely and, if necessary, will re-examine the export refund both for boneless meat and for sides.

**Mr Brugh.** — Is it not correct that the value per kilo in meat is more concentrated and that the effect of this is that processing is discouraged by the regulation, thus putting a brake on the potential expansion of employment? Would the Commission consider changing this regulation, since in the other case the subsidy can be very much higher?

**Mr Vouel.** — (F) The Honourable Member is certainly correct where normal circumstances are concerned. However, the Commission feels that, in the current situation, which is one of crisis, greater flexibility is needed thereby involving discrimination with regard to normal circumstances.

**Mrs Dunwoody.** — Is the Commissioner aware that what is happening in Britain is quite frightening, because the bacon industry is being wiped out? We have now lost something like 400 jobs in a very short period of time, because almost every other bacon industry is getting a 20 % export refund on the bacon that it puts on the British market. And what does he intend to do, since the Commission said in May that it was looking urgently at the problem? Its idea of urgency doesn't seem to be very impressive to anybody else.

**Mr Vouel.** — (F) It is possible that the situation referred to by Mrs Dunwoody exists, but in the present conditions the Commission has had to make a choice. It is a matter of doing everything possible to eliminate the non-boned meat surpluses otherwise similar situations could, in this area, arise elsewhere, i.e. in another Member State.

**Mr Scott-Hopkins.** — I am a little confused here. Is this referring to export trade to third countries, or is it referring to internal trade within the Community? If it is referring to external trade, what countries are we talking about, and is it not the restitution payments that we are dealing with here and are these not offensive to some of the recipient countries of these particular products? Could the Commissioner perhaps enlarge a bit on his answers?

**Mr Vouel.** — (F) We are referring to exports to third countries.

**Mr Scott-Hopkins.** — Are not the restitution payments on exports from the Community the cause of some dissatisfaction to the United States in that we are subsidizing our exports to the detriment of home-produced products in America? Are not the Americans trying to stop this, and what is the present situation?

**Mr Vouel.** — (F) It is possible that the measures taken by the Commission do not satisfy everyone. However, the Commission is taking the problem into consideration and I hope that, even in the case of the United States, it will be able to arrive at a solution acceptable to both sides.

**President.** — I call Question No 5 by Mr Edwards:

In view of the recent decision to organize an EEC-ASEAN Conference on industrial cooperation in Jakarta, Indonesia on 26-28 February 1979 to bring together several hundred leading businessmen, bankers and government officials from the EEC and ASEAN to discuss projects relating to certain industrial sectors, is the Commission also prepared to help in organizing a Joint Conference of EEC and ASEAN trade union representatives covering these same industries?

**Mr Brunner, Member of the Commission.** — (D) The Commission is, of course, prepared to hold a conference with trade union representatives from ASEAN countries similar to that being organized with representatives of industry. This, however, presupposes that the desire for such a conference exists and that interests run along the same lines. We are, however, in favour of such a conference.

**Mr Edwards.** — Would the Commissioner be willing to take the initiative as the EC and the ASEAN Ministers meet next week in Brussels? Perhaps he would put it on the agenda, because trade unions in these ASEAN countries are either illegal or very weak and many trade-union leaders are still in prison in Indonesia or in exile. I wonder why they picked Indonesia as the place for this conference, because Amnesty International are still adopting prisoners of conscience who have been in prison in that country for ten years and more without even a trial.

**Mr Brunner.** — (D) The Commission is prepared to take up the Honourable Member's proposal. Question time is a useful way of providing the Commission with new ideas. Thank you for the suggestion.

**Mr Patijn.** — (NL) Can the Commissioner state whether the choice of ASEAN countries as the venue for a conference indicates a preference on the part of the Commission for ASEAN countries rather than India which has a much bigger population than the ASEAN countries? Or is the Commission planning to organize a similar conference for countries such as India?

**Mr Brunner.** — (D) In this case one cannot conclude that there is a preference for certain countries. It is a matter of actions in certain areas which cannot be carried out simultaneously in respect of all countries. Our relations with India have recently been intensified. We have recently developed closer relations with India in the areas of technological and research exchange. These actions run parallel. One should not draw unwarranted conclusions from the venue for a conference.

**Mr Jahn.** — (D) With regard to parallel interests I should like to ask the Commission the following question: The Commission is aware that the five ASEAN states, Singapore, Malaysia, Indonesia, the Philippines and Thailand have founded an interparliamentary delegation to decide on policy vis-à-vis the EEC. Does the Commission not feel that it would be useful, in relations between the EEC and the ASEAN, to set up joint parliamentary delegations with a view to closer joint cooperation with the Commission on political and economic questions, similar to that which exists in other parts of the world?

**Mr Brunner.** — (D) This is a matter which should be considered in consultation with Parliament.

**Mrs Dunwoody.** — Is the Commissioner not aware that if he in fact organizes a conference of this kind he is giving the seal of approval to Indonesia as a suitable venue; that it is not simply a question of picking a conference site, but that he is actually giving respectability to a government which has held some men in prison for political offences without trial, in some cases for over 10 years?

**Mr Brunner.** — (D) The choice of a venue for the conference does not depend solely on the Community or the Commission. The venue is chosen by agreement among the representatives of the five member countries in this region. Consequently it would be wrong to draw far-reaching symbolical conclusions from the choice of venue. Furthermore, I wonder whether contacts of this kind are not the best form of exercising the sort of influence we discussed this morning in the debate on human rights.

**President.** — I call Question No 6 by Sir Geoffrey de Freitas:

Whether the Commission will open an office in New Delhi and finance it from savings from the closure of an office in a country which does not have parliamentary democracy?

**Mr Brunner, Member of the Commission.** — (D) We are very interested in opening and strengthening our representation in India. Parliament has already held a long debate on this topic. In addition to the Community representation in Bangkok — which is to be opened shortly — and in Singapore, we wish to have as many representations in Asia as possible. It is, however, not clear how the closure of other representations will bring this about. Community representation in a particular country does not imply political approval. We are interested in maintaining the contact we have and in making new contacts. We do not, however, take the view that the reduction of existing representations will enable us to set up new ones.

**Sir Geoffrey de Freitas.** — Will not the Commissioner look at this again? Surely it is important to consider two aspects: first, the press facilities and the air connections which exist in a place like New Delhi and which do not exist in most other parts of that region, and second — I return to this point — the encouragement given to parliamentary democracy if the Community establishes an office in one of these developing countries. Consequently, we should not be so generous as to set up Community offices in countries just because they want them.

**Mr Brunner.** — (D) As you are aware, it is very difficult to obtain approval to set up new representations. You realise this as well as we do. We are very interested in establishing a strong presence in New Delhi in the near future. To that extent we share the Honourable Member's views. However, I do not see which of our offices throughout the world we could close in order to establish a new priority here. In book-keeping terms the closure of any one office means, in the first place, nothing less than entering a minus as far as representation is concerned. This will not produce the plus the Honourable Member wishes. Only with your help and to the extent that we continue to work towards extending our representations will we be able to achieve as soon as possible the strong representative which we desire in New Delhi.

**Mr Prescott.** — Could I invite the Commissioner to extend his remarks a little in regard to his own comments concerning the Commission and democratic consultations? Recently on a visit to England I believe he encouraged all the local authorities to open up discussions with the Commission rather than the Government and advocated that the candidates in the direct elections should be pressed on this. Does this mean that the Commission will be backing certain candidates to support these ideas in the next election?

**Mr Brunner.** — (D) I believe that the Community can only develop through contact with its citizens. I further believe that the direct elections will not take place in the right atmosphere unless there is dialogue between the citizens and the Community institutions. I think that we are no longer in the Middle Ages when a citizen could only deal with authorities outside his own country through his feudal lord.

*(Scattered applause from the right.)*

**Mr Scott-Hopkins.** — Could I come back to the original question for a brief moment? I hope that the exchange that we have already had does not mean that Commissioner Brunner is suggesting that the proposal to open an office in the ASEAN countries—in other words, in Bangkok, which is the place they have chosen in agreement with the Commission—is going to be by-passed. As I understood it, that was going to be the centre for the ASEAN countries, and the office would be there and probably working as well throughout the Indian sub-continent, until we can finance a separate office for New Delhi. I hope there has been no change in that situation.

**Mr Brunner.** — (D) The Honourable Member is correct in his assumption. There has been no change whatsoever.

**President.** — Since the author is not present Question No. 7 by Mr Müller-Hermann will be answered in writing<sup>1</sup>.

I call Question No 8 by Mr van Aerssen :

What is the Commission's view of the proposals by the North Rhine-Westphalia Minister of Agriculture, Mr Riemer, to change completely the design of the SBR 300 fast breeder in Kalkar, and what steps is it taking to ensure that the project is not further jeopardized by the equivocal attitude of the North Rhine-Westphalia Land Government?

**Mr Brunner, Member of the Member of the Commission.** — (D) The Kalkar project is an advanced research project. Since May 1976 it is a joint undertaking under the Euratom Treaty. The Community, therefore, provides the legal framework. The content of the project itself is the independent responsibility of the undertakings directly involved. Therefore, as far as the content is concerned it is not a Community project. Changes in the project must be communicated to us. We have so far not been formally advised of any such intended change in the project. Nothing of that sort has been communicated to us. As matters stand it is therefore not possible at the present time, on the basis of public statements, to adopt a detailed position on possible changes in the project.

**Mr Dalyell.** — Does the Commissioner agree that the decision to site what is in fact a German prototype fast breeder Reactor in a densely populated area such as Kalkar will create certain reactions that we talked about this morning from local people, and is there this morning from local people, and is there not an argument that this should be done on a Community basis in an area where it is acceptable to the local people, and could I again ask him to write about the possibilities of doing this kind of project in Caithness, where the people welcome it and already have the Dounreay fast breeder reactor. Is it not sensible to think in these terms on a Community basis?

**Mr Brunner.** — (D) Question of safety are considered in detail before such a project is set up. Therefore such a project in itself presents no danger to the population in this area. We are not responsible for supervising the content of an advanced research project of this kind. That is a matter for the local authorities and those who run the project. We have only provided the legal framework. This gives rise to the obligation to provide information in the case of a change in the content of the project. We have received no information on this matter and can only work on the assumption that no change has been made in the definition of the project.

<sup>1</sup> See annex.

**Mr Patijn.** — (NL) Can the Commissioner tell us whether the Commission feels that if the Netherlands decided to withdraw from the project this would mean that the Community project would be terminated and the project itself would come to an end.

**Mr Brunner.** — (D) This would in no way alter the existing legal framework for a joint undertaking under the Euratom Treaty. It would only be terminated formally from the Commission's point of view if all participants were to state: we withdraw from the project and we wish this society to be dissolved by Community law.

**Mr Frlämig.** — (D) Although understandably, you cannot make a statement regarding possible changes if you have heard nothing officially, can you however confirm that the installation as currently planned is a plutonium burner, which burns more plutonium than it produces, i.e. that its breeding rate is less than 1, and can you also confirm — I mean as a matter of principle — that changing a machine of this sort to a thorium basis would make no difference from a safety point of view since it would then produce U 233 which gives off more gamma rays and is as unsafe as plutonium.

**Mr Brunner.** — (D) I feel, that as things stand at the moment, it would not be a good idea for me to go into the technical details. In fact, scientifically plutonium burning is something more in the line of plutonium reduction. It is still not scientifically possible to get rid of plutonium altogether. It is, however, planned to have the whole project re-examined by a technical committee. I therefore do not wish to anticipate the decision to refer the matter to a technical committee.

**Mr van Aerssen.** — (D) Apart from the fact that the new concept of a plutonium waste combustion installation, which would render the Commission's nuclear energy concept obsolete, has not yet officially been communicated to you, would you confirm for Mr Dalyell that the question whether the fast breeder will be built is not a matter for the local authorities in Kalkar, or for the federal government, but exclusively a problem for the North Rhine-Westphalia Land Government which, under the regulations in force in Germany, has a right to be consulted with regard to further approval of partial installations?

**Mr Brunner.** — (D) It would be politically very unwise to enter into the topic raised in the question.

Questions as detailed regarding the current state of the project are not primarily a matter for the Commission. It would also be unwise for the Commission, before it has officially been informed, to make public

statements which would only complicate matters. It would also be very unwise for me, personally, to do so.

(Laughter)

**President.** — Question No 9 by Mr Power will not be taken since it is the subject of the report on the same topic which will be debated at the sitting of Wednesday, 15 November 1978. The author will have priority in speaking during this debate.

I call Question No 10 by Mr Scott-Hopkins:

In view of the expanding increase in milk production in the Community, what steps does the Commission intend to take to deal with this problem?

**Mr Vouel, Member of the Commission.** — (F) On 27 September 1978 the Commission submitted to the Council a report on the situation in the milk sector. Having analysed the situation and set out the guidelines of its milk policy, it indicated its intention of submitting to the Council specific proposals aimed at halting the current growth of milk production, and the new prices for the next marketing year.

As soon as the Council has defined its position, the Commission will put forward practical measures which will be presented in due time to the European Parliament.

I wish to stress in this context, Mr President, that Parliament's Committee on Agriculture has been informed of the Commission's report and that the initial explanations have been provided on this matter. Should the Honourable Member so wish, I will be happy to send him personally the Commission's report.

**Mr Scott-Hopkins.** — In point of fact, it is because of the report that I have tabled this question. Would Mr Vouel not accept that there is grave anxiety throughout the Community, particularly in the agricultural industry, that the Commission's proposals themselves will not deal with the matter? I must say that, much as I respect Mr Vouel, I regret that the Commissioner for Agriculture is unfortunately not present to answer these questions. Would Mr Vouel accept from me that what he is proposing or what is being proposed is not going to work? It just is not going to be sufficient to solve the problem we have got. This is not the time, Mr President, to go into details, but will Mr Vouel accept that we are going to have to come back and look yet again at more stringent methods to deal with the situation of surplus production?

**Mr Vouel.** — (F) I cannot reply in the way that Mr Scott-Hopkins wishes since the report has been unanimously adopted by the Commission.

**Mr Howell.** — May I ask the Commissioner to jerk himself out of the complacency which is being

**Howell**

displayed by the Commission on this subject? it is a very urgent matter, which should be dealt with as soon as possible. The report to which he referred comes to the conclusion that there are only two ways of dealing with the milk surplus; one is to carry on doing what we are doing, only a little more firmly, and the other is to impose on-farm quotas. But at the recent meeting the Commission refused to even discuss the possibility of on-farm quotas. Could I draw his attention to the fact that the German farmers' union are now calling for farm quotas to reduce milk production and can I ask him to urge the Commission to seriously consider this suggestion?

**Mr Vouel.** — (F) There was no complacency in my attitude. In this area the Commission has done what it was requested to do: in response to the Council's request, the Commission drew up a report, which the Council is currently studying. When the Council has completed its studies, the regulations which form the basis of the report will certainly be submitted to the European Parliament which can then discuss them at its leisure.

**President.** — The first part of Question-Time is closed.

I call Lord Castle on a point of order.

**Lord Castle.** — I hope that I am not unduly interfering with the timetable of the sitting by raising with you the question I raised with your deputy yesterday afternoon, as to how this plenary sitting can discuss a matter which I think is of concern to all Members of this Parliament and members of all parties. I brought this to your attention in a letter a short time ago. The Committee on External Economic Relations decided that we should have a discussion on the recent action of the United States Congress. You will remember that the decision meant that the discussions at Geneva on the form of international agreement to succeed GATT had become a matter requiring very urgent decision. As I understand it, the question which I put to you on behalf of the whole of the Committee on External Economic Relations, regardless of any political divisions and so on, was whether or not the Commission could inform us what was the position now and what were the prospects of our continuing with the kind of liberalization of trade which was essential to all of us.

**President.** — You put this question yesterday, and I am under the impression that the Bureau will deal with it on Thursday.

**Lord Castle.** — I am very much obliged for your reply; but I must point out to you that yesterday the Commissioner responsible for the matter I had raised was present here. Now we do not see him all that

often in the Committee on External Economic Relations or in the plenary sitting. And the fact that he was here yesterday did suggest to me that we ought to have taken advantage of his presence then, rather than on Thursday. The enlarged Bureau should make a decision about Thursday's agenda, when most of us will be either going away or thinking of going away and unable in any case to participate on the Friday. I say this to you, Mr President, only because I am anxious that this matter should be discussed by Parliament before it is too late. Because it is going to be too late in view of the fact that existing arrangements end under present arrangements on 3 January.

**President.** — I hope that, as a result of your concern, we shall have the pleasure of the presence of the Commissioner in question whom, you say is often absent from meetings of Parliament and of the Commission on External Economic Relations.

**Lord Castle.** — May I say that I have mentioned his absence before, and it has had no effect.

**President.** — Lord Castle, I cannot provide any further answer today since the Commissioner responsible is not present.

**8. Votes**

**President.** — The next item is the vote on the motions for resolutions on which the debate has closed.

We shall begin with the motion for a resolution contained in the *Lezzi report (Doc. 414/78): Food aid management.*

I put the preamble and paragraph 1 to the vote.

The preamble and paragraph 1 are adopted.

On paragraph 2, Mr Dewulf, on behalf of the Christian-Democratic Group (EPP), has tabled Amendment No 1 seeking to reword the paragraph as follows:

- '2. Considers that, by this means, it will be possible to improve the management and speed up the supply of Community food aid *and that the Commission's powers might even be strengthened, principally with regard to emergency measures*, and emphasizes the point that under Article 205 of the EEC Treaty, the Commission is responsible for the implementation of the budget.'

I call Mr Dewulf.

**Mr Dewulf.** — (NL) Mr President, I would like to speed up the proceedings and I shall therefore withdraw Amendments Nos 1, 4 and 5.

You will forgive me for not being present here yesterday. As you are no doubt aware, the Belgian

**Dewulf**

Parliament is in a state of disarray at the moment, and urgent business detained me in Belgium. However, I maintain Amendments Nos 2 and 3, which reflect to a great extent the concern felt by the Committee on Budgets. I am convinced that the rapporteur, who has drawn up such an excellent report, will be able to accept these two amendments.

**President.** — Amendment No 1 is therefore withdrawn, as are also Amendments Nos 4 and 5.

I put paragraph 2 to the vote.

Paragraph 2 is adopted.

I put paragraph 3 to the vote.

Paragraph 3 is adopted.

On paragraph 4, Mr Dewulf, on behalf of the Christian-Democratic Group (EPP), has tabled Amendment No 2 seeking to add the following words to the paragraph :

'4. ... and feels in this connection that attention should be drawn to the voluntary aspect of food aid policy and the non-automatic nature of its financing';

What is Mr Lezzi's position ?

**Mr Lezzi, rapporteur.** — (I) By and large I am in agreement with the amendment, even though in the Italian language this *voluntary aspect* bit leaves me a little perplexed. I think it would be more appropriate to use some such term as the *autonomous aspect* of food aid policy, that is, if the colleague who tabled the amendment wishes to keep a clear distinction between this policy and the common agricultural policy or the question of surpluses.

**President.** — I would refer this interpretation to Mr Dewulf.

**Mr Dewulf.** — (NL) Mr President, I thank Mr Lezzi for drawing attention to the linguistic difficulties. Our objective should be to make food aid more a *voluntary* contribution, so that it can be entered in the budget under non-compulsory rather than compulsory expenditure. Of course, this ties up with the familiar controversy as to whether Article 235 of the Treaty or Article 43 should be the legal basis for food aid.

**President.** — What is your opinion therefore, Mr Lezzi ?

**Mr Lezzi, rapporteur.** — (I) I repeat that I am in agreement, Mr President.

**President.** — I put Amendment No 2 to the vote. Amendment No 2 is adopted.

I put paragraph 4 thus amended to the vote.

Paragraph 4 is adopted.

After paragraph 4, Mr Dewulf, on behalf of the Christian-Democratic Group (EPP), has tabled Amendment No 3 seeking to add the following new paragraph :

'4a. Considers that it is the responsibility of the budgetary authority, and not only the Council, to decide on the financial contribution to be made by the Community and to translate it into annual or multi-annual global quantities on the basis of the food aid products defined by the Council';

What is Mr Lezzi's position ?

**Mr Lezzi, rapporteur.** — (I) I am in favour, Mr President.

**President.** — I put Amendment No 3 to the vote. Amendment No 3 is adopted.

On paragraph 5, Mr Dewulf, on behalf of the Christian-Democratic Group (EPP), had tabled Amendment No 4 seeking to add the following words to the paragraph :

'5. ... feels that this Committee will make a substantial contribution to the integration of Member States' development policies';

This amendment has been withdrawn.

I put paragraph 5 to the vote.

Paragraph 5 is adopted.

I put paragraphs 6 to 11 to the vote.

Paragraphs 6 to 11 are adopted.

On paragraph 12, Mr Dewulf, on behalf of the Christian-Democratic Group (EPP), had tabled Amendment No 5 seeking to reword the paragraph as follows :

'12. Welcomes the speedy adoption of the Commission's proposals since they will improve radically the implementation of the food aid programmes, which the Commission must administer as flexibly as possible';

This amendment has been withdrawn.

I put paragraph 12 to the vote.

Paragraph 12 is adopted.

I put paragraphs 13 and 14 to the vote.

Paragraphs 13 and 14 are adopted.

I put the motion for a resolution as a whole to the vote.

The resolution is adopted.<sup>1</sup>

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I put to the vote the motion for a resolution contained in the *De Clercq report (Doc. 408/78): State of Commercial and economic relations between the EEC and Yugoslavia*.

The resolution is adopted.<sup>1</sup>

<sup>1</sup> OJ C 296 of 11. 12. 1978.

**President.** — We shall now consider the *Veronesi report (Doc. 411/78): Safety in thermal water reactors*.

I put the preamble and paragraph 1 to the vote.

The preamble and paragraph 1 are adopted.

After paragraph 1, Mr Brown, on behalf of the Socialist Group, has tabled Amendment No 1/rev. II seeking to insert two new paragraphs:

- '1(a) Considers it appropriate that water-cooled reactors have been selected for this research programme and that emphasis should be given to safety of the primary cooling system;
- 1(b) Is concerned, however, that research on this scale has not been proposed earlier, given the large-scale deployment of light-water reactors in the Community in the last decade.'

What is Mr Veronesi's position?

**Mr Veronesi, rapporteur.** — (I) Mr President, I must say that on the whole this amendment does not seem to me to add anything much to the motion for a resolution; however, I will leave it to the Assembly to decide whether it agrees with it.

**President.** — I put Amendment No 1/rev. II to the vote.

Amendment No 1/rev. II is rejected.

I put paragraphs 2 to 8 to the vote.

Paragraphs 2 to 8 are adopted.

I put the motion for a resolution as a whole to the vote.

The resolution is adopted.<sup>1</sup>

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I put to the vote the motion for a resolution contained in the *Berkhouwer report (Doc. 430/78): Situation of the Jewish community in the Soviet Union*.

The resolution is adopted.<sup>1</sup>

#### 9. Commission statement on the situation in the iron and steel industry

**President.** — The next item is the statement by the Commission on the present situation in the iron and steel industry.

I call Mr Davignon.

**Mr Davignon, Member of the Commission.** — (F) Mr President, with the forthcoming meeting of the Council next week to consider decisions relating to the iron and steel industry and with the impending discussions within the Consultative Committee of the ECSC, and before itself making any firm pronouncement on its guidelines for the steel sector, the Commission wants to take the opportunity today to

report back to the House and to set out its plans for implementing in the years ahead the measures it embarked on almost two years ago.

The Commission attaches particular importance to this statement, which it undertook at the last part-session to make today, because the matter touches upon the very cornerstone of Community cooperation on steel and also because it affects so many people in the Community who work either in the steel industry itself or in related industries. It is important, therefore, that the European Parliament should take a stand in a debate of this kind which goes beyond purely industrial and technological considerations and holds profoundly human implications.

What follows, then, is a brief assessment of the Community's performance during 1977 and 1978. Before I begin, let me just make one or two points. Firstly, the crisis in the steel industry is a structural crisis affecting the whole world; other European countries (particularly the Eastern-bloc countries), the United States and Japan are experiencing similar difficulties. It is interesting to note in this context that in Japan they recognize that their steel industry is in urgent need of restructuring.

Secondly, the Treaty of Paris places an obligation on the Commission to take action in the iron and steel sector in the event of serious disturbance of the market. In effect, therefore, the Commission cannot play a purely diagnostic role and must take positive action. It is convinced that uncoordinated action by the individual Member States will either result in a return to protectionism or inevitably lead to contradictory measures which will cancel each other out and become totally ineffective. And so, whatever action the Commission takes in fulfilling its obligations under the Treaty must be directed at averting a situation that could have disastrous industrial and political consequences.

Thirdly, the scale and gravity of the problem are accentuated by the fact that it directly affects the fate of 700 000 workers employed in the sector and of hundreds of thousands employed in related industries. The Community recognizes that its responsibility towards these workers must be total if the European idea is to have any credibility.

I would like to say at this point that insofar as we accept the reality of this structural crisis — the seriousness of which is acknowledged by everyone and on the causes of which there is no disagreement within the ECSC Consultative Committee, which represents the interests of trade unions, employers, users and the Commission — we must also recognize that a policy of maintaining the status quo would undoubtedly be the worst policy of all. And a policy of structural reform and rationalization is bound to involve the loss of a substantial number of jobs.

<sup>1</sup> OJ C 296 of 11. 12. 1978.



## Davignon

Cynics might conclude that, because the Community is pursuing a policy that seeks to save most of the jobs in this sector, the sole object of the Community's policy is in fact to create unemployment and increase the loss of jobs. But I feel sure that most people would recognize such a glib judgment for the caricature that it is. Some loss of jobs there may be, but any Community policy that concerned itself only with those remaining in the steel industry and ignored those that lost their jobs would be politically unacceptable, since it would in effect create two categories of workers in the industry. It is therefore the Commission's view, which it has voiced on many occasions, that there is an indivisible link between sectoral restructuring measures designed to ensure that the majority of jobs are protected, and policies of regional industrial diversification and social readjustment. Only with such an approach, based on community of interests, can we look after all the workers employed in the sector prior to reorganization.

The final point I want to make is that the Commission cannot treat the problem of the steel industry just like any other industrial problem. It is one of the mainstays, a part of the very foundations on which Community industry was built, and, as a result, touches directly on Community sovereignty. And so the way in which we tackle this problem will be directly influenced by our conception of Community independence, of the extent to which it should be in a position to supply the products it needs, and of its ability to sustain an industry that is so essential to its future.

I now come to the assessment proper. The first question we must ask ourselves is to what extent have we succeeded in adapting the steel industry to the needs of 1978 and the needs of 1979? In other words, what is being done to enable the Community steel industry to adapt to changing conditions and to resist external competition?

I do not want to bore you with a mass of statistics but I must quote a few figures. In 1978 steel production in the Community will be of the order of 132 million tonnes, which represents a slight increase, of some 4 to 4.5 %, over 1977. This increase is in line with the average increase in world production, which stands at around 4 %. The United States will have increased their production by 6 %, while the Japanese will have cut back theirs by 2 %. As things stand at the moment, the Community's production capacity is around 200 million tonnes. This means, assuming an acceptable capacity utilization factor of 85 %, that the Community should be producing and selling 170 million tonnes of steel. Our present difficulties stem from the gap between the 132 million tonnes produced in 1978 and the 1983 optimal production capacity of 170 million tonnes, in other words from an excess capacity of some 40 million tonnes.

Now the question immediately arises, is this just a temporary problem or a long-term one? From our document on the General Objectives, that is the forecasts for the steel industry in 1983, it would appear that we can expect a gradual increase in internal demand of around 2.5 % a year between now and 1983, which will still leave us with an excess capacity of about 20 to 25 million tonnes. We are faced, therefore, with a problem of adjustment, particularly since the intervening period will see the introduction of new technology which will give us a higher output of crude steel from the same plant than in the past. I am speaking here of the continuous casting process as against the ingot steel method. This new technology will add to the already serious problem of excess capacity.

Yet another problem we have to tackle is the low productivity in the industry. At the present time, the cost in man/hours to produce one tonne of crude steel is on average 8.3 in the Community, compared with just under 6 in Japan. Let me say that I do not believe we should be pessimistic about these figures or imagine that the situation is so serious as to be irretrievable. That is not the case. If you look at the situation as it was in 1975 you will see that the worst level of productivity in the Community stood at 17 man/hours per tonne and the best at 6.7 man/hours. The average figure of 8.3 man/hours that I quoted you a moment ago shows, therefore, that substantial progress has been made since 1975. Why I say this is because often one is so overwhelmed by the magnitude of a problem that there seems to be no way of surmounting it. In fact, if we look at the latest available figures, that is for the second quarter of this year, we see that four countries achieved a productivity of around 6.2 man/hours per tonne — that is Italy and the Benelux — Germany came next with 7.4, followed by France 9.3, and only the United Kingdom is still over 10. That is the first thing we learn.

The second, on which I do not wish to dwell too long but it is a factor that tends to complicate the task of restructuring, is that we are seeing a greater effort being made to replace products with a low added value by products with a high added value. This policy makes sound sense and should hold out promise for the Community in the future. However, it does also mean a changeover from strip steel production to flat steel production and if this were allowed to proceed too quickly it would lead to excess capacity in the area of certain flat products.

We can say, therefore, that we are beginning to make some headway with the structural problems, which are of course quite separate from short-term economic problems. It goes without saying that we cannot afford to relax our efforts in any way. But what exactly are the roles of the Commission and the Community in

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this? Certainly it is not their place to formulate a specific and detailed programme in the shape of a five-year plan that would set out precisely, locality by locality, company by company, process by process what is to be done. Our job is to work out, together with the governments and the industry, an overall strategy for the benefit of those, whether they be in private, state or mixed undertakings, whose job it is to ensure that the various measures instituted are such as will allow the remaining obstacles to be surmounted in a spirit of solidarity, with burdens and sacrifices being borne equally by all.

Over and above that, it is the Community's responsibility to see that the restructuring programme is built into an overall policy in such a way that any restructuring measures that we may decide upon, whether in the form of financial intervention or of other instruments, or through conversion and diversification, make the industrial effort required if the industry is to survive more bearable on an economic and regional level. In this context it is worth noting that some very clear trends have emerged in recent months with the adoption, first by the Netherlands and then by Belgium, Luxembourg, France and Germany (in relation to the Saar), of fairly detailed programmes setting out the objectives they hope to achieve over the next few years. Furthermore, Italy has sent us their preliminary draft structural reform programme and we have knowledge of the pragmatic programme that the British Steel Corporation is currently drawing up aimed at reorganizing its production facilities. Finally, we are engaged in discussions with Ireland to integrate her restructuring plans in the overall European programme and Denmark has also agreed that her steel industry will be developed in line with the General Objectives I mentioned earlier.

At its meeting on 30 November the Consultative Committee is to consider the General Objectives and satisfy itself that the various policies to which I have referred are consistent with these objectives.

As I said at the outset, this restructuring process must, inevitably, be accompanied by a loss of jobs, through a cut-back in recruiting, non-filling of vacancies and other measures designed to safeguard the industry as a whole. To appreciate the seriousness of the consequences of this crisis we must realize that since the beginning of 1977 the steel industry has lost 60 000 jobs and the ECSC, on the strength of various commitments entered into with the Member States, has intervened directly in respect of about 50 to 60 % of them. We are at the moment looking with the Member States into ways of strengthening Community support for social and restructuring measures.

Next I should like to tell you about the support measures the Community has introduced to help along the restructuring process and to make the burden associated with it more bearable. Given the

magnitude of the structural problems we are bound to meet it would be quite unthinkable not to introduce a set of measures to help smooth the difficult transition from the situation that existed in 1976 and 1977 to the changed situation in the years 1982 and 1983. This is why we have sought in the first place to offer industry a number of financial options to enable it, on its own initiative, to improve its structural and social programmes. To this end we have evolved — as we have frequently explained to Parliament — a policy based on both internal and external measures.

The internal measures include a production programme together with a programme for prices and price monitoring. What do I mean by a production programme? Given the excess capacity I spoke of earlier we thought it essential during this critical period — and only so long as it lasts — to prevent the market being flooded in a way that would do irreparable damage to price levels. Secondly, it was very important that our measures should favour those who had already carried through a restructuring programme in order to demonstrate that viable industries were better off, even while sharing in the troubles with the others. And so we introduced a system by which we have sought to harmonize capacity utilization factors, partly in order to meet the Community's internal demand, which is obviously a priority, and partly to encourage the restructuring operation by increasing the range of financial incentives offered to producers. We have also introduced a quota system covering the total production of crude steel on the basis of the degree of participation in a restructuring programme and the previous production figures of each Community producer. Another feature of our production programme is that we have evolved a way of making sure that the quantities of steel produced are matched to actual demand. The success of the system depends on close consultation with users and a knowledge of the areas of flexibility and of the possibilities of adjusting production, which, in turn, vary according to the types of product and to whether they are intended for a domestic market or an external one. This system is based on voluntary cooperation with producers, since it is essential that a programme designed to give them the means to overcome their problems should place some responsibility for its success on their shoulders.

We have been able to adjust the figures quarter by quarter — and thankfully these adjustments have been upwards — to take account of the improved economic climate, for example in the motor car and construction industries in Germany, and also because, owing to the policy pursued, both producers' and merchants' stocks had run low; in addition, exports have picked up in some sectors.

We were eventually persuaded that a programme based exclusively on discipline at the supplies level was not in itself enough and so we decided also to

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give some guidelines on prices. This is something the Commission entered into only after a great deal of thought and without being altogether satisfied with the method it put forward. In fact it was not in the least what we wished to see, namely, on the one hand return to fully competitive undertakings where producers that had adapted best would have an advantage over the others and, on the other, the fixing of minimum or guide prices. But such was the depth of the crisis we were faced with that there seemed no way of retrieving the situation without applying some sort of control measures. That is why we took these decisions, hoping all along that they would last only for as long as was necessary, in other words until market prices had stabilized and were no longer below the most competitive production costs — as was the case then and the whole industry was running at a loss. These controls will be removed as soon as the situation improves and we are back on firm ground. On that the Commission is quite determined.

Nevertheless, when trying to decide what was the most dangerous aspect of introducing measures to fix market prices in a market economy it is important to realize just how serious the problems affecting the industry really were. I would like to quote you some figures showing the losses in the steel industries in 1977 which illustrate just how urgent it was to take action if we were not to witness the collapse of the steel industry, something which we could obviously not countenance for reasons I have already given. In Germany the industry made a loss of 400 million marks, in Belgium 12 000 million Belgian francs, in Luxembourg 4 500 million Belgian francs, in France 5 000 million French francs, in the United Kingdom 443 million pounds, in Italy 315 000 million lire and in the Netherlands 417 million florins.

Now, if this is not a good enough reason for taking matters in hand then I don't know what is, for these figures are particularly telling in that they reveal that producers made a loss of 1 000 Belgian francs on every tonne they produced. I am not saying that this applied to all producers, for it is an average figure. But just think, each time the industry produced a tonne of steel a corresponding loss of one thousand Belgian francs! This helps to illustrate the problem we are faced with. However, thanks to the improvement of the market and of the cash flow situation brought about by the various measures we introduced during 1978 and thanks also to the improvement in productivity that I spoke of earlier, we now find ourselves in a more optimistic situation and able to get to grips with the different problems I referred to a moment ago.

One thing is clear — indeed it is fundamental to our system — and that is that there can be no question of the benefits of improved cash flow being used exclusively to provide a return on capital without also serving the policies of restructuring, conversion and

social adjustment. All the discussions the Commission is conducting with the producers are aimed at ensuring that these benefits should serve these three objectives and not just any single one of them.

In point of fact, although these policies are subscribed to by the Member States and the steelmakers, they are not invariably applied as smoothly as we should wish. We have had to institute a system of checks and you will be interested to know that in the course of one year we have carried out 125 on-the-spot checks and imposed penalties in 16 cases, that similar action is currently being considered in 35 additional cases, that we have examined close on 500 cases under the surety arrangement, 16 000 certificates of compliance have been filed with us and that we are at the present time considering 845 certificates to determine whether or not there has been any infringement. Why does the Commission carry out all these checks? Because we must at all costs avoid the situation where those who accept and apply the system find themselves at a disadvantage in relation to those who do not. In a legally constituted community such as the European Community this would be intolerable.

I now come to the external measures to which I referred in passing. We have in fact suggested to some of our industrialized partners, seeing the structural crisis is world-wide, that they might consider discussing the possibility of introducing measures aimed at promoting a restructuring programme wherever it is needed. For this reason we have negotiated voluntary arrangements under which traditional trading patterns will be preserved. We have not taken any retrograde steps on imports to the Community but have tried simply to secure terms and price levels that will not disrupt our market, and to conduct within the OECD a programme of action with which we should like to see associated those developing countries which are experiencing the same kind of problems and which have the same interest in the development of their steel industries as we ourselves, countries like Mexico, Brazil, South Korea and India.

As for the Commission's objectives for 1979, these are quite clear-cut and are based on the principles that I have already outlined. The first priority is structural reform, because the object of our actions is not to perpetuate artificially a situation that is in sharp contrast with the situation of our major industrial competitors, but rather to give ourselves a transitional period during which the restructuring programme can be implemented. That is why it is important for us to press ahead with restructuring and to this end we feel that we must continue with the crisis measures and support measures and do everything possible to help along reorganization. To do this we must first of all satisfy ourselves that the national programmes conform to the General Objectives. Secondly, we must ensure that state aid is given in accordance with these

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General Objectives, which is why we have put to the Council a proposal laying down Community rules governing national aid. Finally, we must step up ECSC loans, since if we are to achieve a capacity of 180 million tonnes by 1983, and with the right kind of production, we shall need an annual rate of investment in the steel industry of 2 000 million units of account and our loans should put this target within reach.

We think that the ECSC should lend the steel industry around 600 million units of account per year up to 1983, that is a quarter of the total investment to be provided by the industry itself and the individual Member States. In our view it is essential that the Community encourage this dynamic investment policy by offering preferential terms so that these industries, which are already in debt, can service the loans.

Finally, I believe we should improve our assets, which are our manpower and our technology. We must intensify research into ways of improving our products and processes and of conserving energy and raw materials, and we think that the ECSC ought to contribute at least 10 % of the overall cost of such research programmes sponsored by the industry and the Member States.

Turning, to the market — and I refer now to the support measures — I feel, on the basis of what I said earlier about the internal and external measures that we have instituted and about the present relation between prices and minimum production costs, that it would not be desirable, as things stand at the moment, to raise prices — and I am talking in terms of constant prices — during 1979. What is important is to ensure that prices fixed are actually paid, and that is why we are proposing to take steps to stabilize the policy of price reductions operated by steel producers so as to prevent ruthless price-cutting which would make nonsense of steel prices. The importance of these steps is paramount in the light of agreements we have concluded with third countries, under which in some cases the export prices are higher than the prices on our domestic market. The prices on the American and the Japanese markets will of course continue to be higher than our own. It seems to us, however, that to raise prices would be a mistake since we would then run the risk of creating difficulties for the steel users, who constitute an industry of considerable scale.

As far as production quantities are concerned we intend to continue with the 1978 policy but in a simplified form and with a greater emphasis on discipline to ensure that producers as a whole adhere to the production quotas for crude steel to maintain the balance between supply and demand and to avoid any influences that might tend to disrupt or depress the

market, particularly at a time when the industry so badly needs a period of stability in which to tackle the programmes I mentioned.

To sum up then, in regard to external measures we propose to renew the arrangements on steel quotas and prices with our other major trading partners and to continue our discussions with them within the OECD, following a policy that they themselves favour.

And now we come to the important problem of how to set about implementing the programme of specific measures for industrial conversion and redeployment in the steelmaking areas. It is absolutely essential that we develop new industries not only to facilitate the redeployment of workers but also to cater for the jobs lost in the regions since the steel crisis first made itself felt. Between now and 1985 we need to create 100 000 new jobs to make up for the losses from the steel industry. Last year we made loans totalling 250 million u.a. and handed out grants of some 30 million u.a. to create 15 000 new jobs in 1976. If we could maintain this pace over the next few years the seemingly impossible target of 100 000 new jobs would not be so impossible after all. Since the cost of creating one new job is on average 3 000 u.a. we calculate that 300 million u.a. would need to be spent over the next six years, and I believe that the Community must play its full part in this programme.

Of course the Community cannot play the purely passive part of a bank waiting for the customer to approach it. All that I have said supports the view that the Commission's role cannot be a purely diagnostic one if these objectives are to be attained. We must implement a dynamic industrial policy, giving preference to growth industries, stimulating the policies of the Member States and coordinating them in such a way that no opportunity is missed. In our present situation we just cannot afford to miss opportunities. However, experience has taught us that in the process of reconversion there is always a time-lag between a job being lost and a new one being created. To cater for this we need to be ready with clear-cut social measures to minimize the effects of this policy. We have therefore put forward proposals to the ECSC Consultative Committee for a social policy which, through bilateral agreements between the Member States and the ECSC, would seek to increase the subsidies given by the ECSC in cases where the loss of jobs is due to restructuring. In the present situation of redundancies the Community, the States and the enterprises are all called upon to play their part. We feel that there is need for a number of measures that will have a direct impact on employment, such as early retirement as an alternative to redundancy, shift-working, limiting of overtime and so on. But if we are committed to the idea of the redistribution of work then it is precisely this problem of overtime working that we should be looking at — except, of course, where the competitiveness of the business might be affected.

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Needless to say, if we are to be able to make a useful contribution in the social realm we will need to evaluate our financial requirements. And this is not just simply a financial problem but also a fundamental political problem. I said earlier that we could not accept a situation where any positive results of our crisis programme were to be used solely for capital repayments and that any such benefits should be distributed among all those involved in the steel industry. It would be equally unacceptable if the Community were to appear to be pursuing a restructuring policy that did not have an eye to the future — reconversion — and without a social programme that catered for the immediate plight of those affected by it. For this reason we want to strengthen the financial armoury of the ECSC by committing all our resources to the success of this programme. It is worth pointing out that the ECSC budget for 1973 was 90 millions and we are now proposing to increase it to 180 millions in 1979. To double the budget is not an extraordinary measure in the present situation.

How is this budget to be financed? We have suggested to the Member States that customs duties, which are still collected by the individual Member States because they do not fall into the category of own resources, should be assigned henceforward to the ECSC to help finance the steel policy. After all, it does not make sense that one customs duty should remain national while other duties and levies no longer are. These funds must not be paid into the Community's general account but must be used to finance the budget of the ECSC, which has its own legal standing and which, as you know, is not financed through contributions by the Member States but through levies on the steel producers. These customs duties would provide an additional source of finance.

Mr President, I have come to the end of my report. I hope Parliament will forgive me for having spoken at such length but it would have been impossible to cover all the developments over the last eighteen months more briefly and still present enough detail to enable Parliament to form its own judgment.

I would like to end as I began. The credibility of the Community is at stake. The steel crisis is a structural crisis that has hit the Community no less than it has hit industrialized countries outside it. Our challenge is to restore the steel industry to the place it held in the past, to make it competitive, holding its place in the world and able to take on the other industrialized countries on equal terms. The actions we have taken show that this is technologically within reach. The spirit of cooperation that has emerged in the past eighteen months between trade unions, governments and industry shows that support measures limited in duration to the time necessary for the implementation of the restructuring programme can be of benefit and

that Community solidarity should help to meet that other challenge, which is not only to carry out the restructuring programme successfully, but also to achieve this without the kind of repercussions on a regional and social level that would be intolerable.

That is what the Commission has proposed and will continue to propose. It is under no illusion as to the magnitude of the task, but at the same time it is determined to carry it through, not so much because this policy concerns an industrial sector of the Community as because it is a test of Europe's ability to act on its own account in exerting a positive influence on events.

## IN THE CHAIR : MR SCOTT-HOPKINS

### *Vice-President*

**President.** — Pursuant to the selected texts on the application of Rules 30 and 31 of the Rules of Procedure, Members may now put brief questions for a total of some 20 minutes without engaging in a debate. I shall call first those Members who have tabled questions on this subject which could not be included in the agenda because there was going to be a statement.

I call Mr Hoffmann.

**Mr Hoffmann.** — (D) Mr President, I am very glad that we decided this morning not to have a debate on this statement today. For after the wealth of information we have been given it would be premature to attempt to discuss the matter in detail already now. Mr Davignon has, with his customary precision, presented us with a whole mass of facts, and I will for the moment confine myself to questions on two or three of the points he raised.

The Commissioner made some fairly precise statements giving production figures and capacities for the European industry. He also had something to say on Community consumption, but on the question of imports and exports it seems to me that he merely referred to the voluntary arrangements that are to be concluded and extended. May I just ask whether any reasonably precise forecasts are available for import and export performance?

My second question relates to the matter of the surplus capacity of 40 million tonnes per year. You said in your statement that in the longer term it would be necessary to cut back capacity by 20 million tonnes.

Now, if voluntary measures prove to be inadequate — and you mentioned that the voluntary approach was to some extent already in operation — what are you going to do to achieve this reduction of 20 million tonnes? Have you set up any special criteria and, if so, might we be told what they are?

**Hoffmann**

Passing on to my next question, you told us in some detail how much production has been lost in the individual countries. You also said that we had lost 60 000 jobs. You gave us a rough indication of the number of alternative jobs that it would be possible to offer. I would be interested to know if the Commission is in a position to give fairly exact figures concerning the number of jobs that will be lost in the steel sector in each of the next few years. In other words, what we want is not just a total figure for the foreseeable future but your estimates for 1979, 1980 and 1981, so that we can form some idea of the social implications.

Another question I wish to put is this: You spoke of the investments needed to create new jobs. The sums quoted are no doubt derived from experience. You mentioned an investment of 30 000 EUA per job. I should just like to point out that this figure, which is after all only an approximation, is highly uncertain because there is no guarantee of success. I therefore want to ask whether you have in fact monitored the results achieved with these investments and the number of jobs actually created? Can you tell us something about that?

In conclusion, Mr Davignon, may I just say that having heard you cover so much ground this afternoon we shall not be ready for a proper debate until December, after we have digested your statement. Many thanks for the very full information you gave us today.

**President.** — I call Mr Pisani.

**Mr Pisani, Chairman of the Committee on Economic and Monetary Affairs.** — (F) May I first ask the Commissioner whether he has considered the likely effects of the enlargement of the Community on the scale and nature of the iron and steel industry? Spain, in particular, would seem to pose some problems. To what extent have you taken these effects into account?

Secondly, on behalf of my Group I want to ask you a very general question: Do you have the resources to carry out your policies and, more to the point, do you have the political resources to carry out your policies? By that I mean: Do you have the backing of the Council of Ministers? I believe the Commission sees the crisis in much the same terms as we ourselves do and the solutions it puts forward are much the same as ours. But do you have the political muscle to see them through? Specifically, you make the assumption that the dynamic sectors of the industry will be able to stimulate new jobs which would pave the way for reconversion. But do you think that the reconversion sectors will themselves be dynamic enough and do you think that the Community's policies in these sectors are effective enough? In other words, do we in the Community have an adequate appreciation of the problems posed by the reconversion sectors for us to

be able to tackle them in the right way? It is not enough just to keep repeating that we are going to create so many thousands of jobs and to hope that they will just happen. Nor by itself is it enough just to lay out 3 000 EUA per job. What we need is a dynamic policy. Has the Community correctly defined the redeployment sectors in relation to the depressed sectors?

My final question is this: Are the subsidies under the Regional Fund, the Social Fund and any others for which the steel industry might qualify, suitably coordinated to achieve the best possible effect or are they, instead, handed out piecemeal with the risk that their overall effect will be impaired? In other words, do you have the resources to implement your policies?

**President.** — I call Mr Schwörer.

**Mr Schwörer.** — (D) I too wish to congratulate Mr Davignon for his very comprehensive report. I agree with Mr Hoffmann that we shall not be ready for a detailed debate until December, after we have had a chance to study the Commissioner's statement. I should, however, like to have an answer to one or two questions. I was very glad to hear you say that every effort should be made to avoid an increase in the price of steel in 1979. Is it true that under no circumstances do you want your measures to be accompanied by a price increase in 1979? Do you also mean by this that in the context of a Community policy for stability, in connection with the new monetary system, it is essential not to allow any increase in the price of the major raw materials? That is my first question.

Secondly, we are aware of the serious difficulties being experienced by the shipyards and the engineering industry. These are of course the steel industry's customers. Does the Commission have figures concerning the effects of the measures on this sector? Does it have programmes or ideas as to the ways this sector could be helped, particularly over the thorny matter of higher prices when it comes to competition with third countries?

Thirdly, do you share the view that general stimulation of economic activity is needed, particularly in the form of measures that will encourage investment leading to higher consumption of steel in the Community? I am thinking especially of the figure of 20 million tonnes which you said could not be sold, and I therefore wonder whether you have considered how we could boost steel consumption generally in order to sell more steel?

Fourthly, and lastly, what is the position regarding the directive establishing rules for aids? We talked about this at the last part-session. Has the Council in fact adopted this directive, in the interest of making subsidies in the individual countries more transparent

**Schwörer**

and preventing cut-throat competition in regard to subsidies in the various Member States of the Community?

**President.** — I call Mr Osborn.

**Mr Osborn.** — I wish to thank Mr Davignon for a first-class report, which was difficult for us to understand because what he is dealing with is the challenge facing the steel industry of Europe. I agree with him that it puts at stake the whole credibility of the EEC and the European Coal and Steel Community, but it is better that together we face this challenge than that we allow the events that destroyed us in the 1930s to reappear. I therefore wish him every success in this difficult task.

I speak as a British MP, and I would like to speak for the public and private sector. Obviously, one would want to analyse his figures about productivity and see whether they refer to man-hours per tonne or tonnes per man per year. But it is an alarming comment on ten years of state steel in Britain if the productivity figures are indeed as low as he suggests; as a Conservative, I would like a fuller explanation of this in due course, as I rather fear that too much State money has gone too uselessly on a nationalization programme that has not helped. Nevertheless, the Commissioner, the British Government and other governments have intervened in one way or another to help the steel industry, and I do not say this with disdain.

In the steel industry there are three sectors: the bulk steel industry, to which most of the statistics apply; the alloy steel industry, of which BSC's operation in Sheffield, whether at Parkgate, Tinsley, Templeborough or Shipcote Lane, is typical and which is another area in itself; and finally the special steels, the tool steels, which are a highly specialized sector facing competition not only from other members of the Community but from Japan and elsewhere outside.

What I would ask the Commissioner to comment on is this: could it be that competitors in the private sector of the steel industry in Britain are retaliating because of the state aid to bulk steel in Britain, and would he elucidate this position in due course? And where do we go from here? Of course the Economic and Monetary Affairs Committee will be considering a full report based on this statement, but is there not the need to involve national members of parliament in the steel areas involved, is there not the need to involve Members of the European Parliament in the steel areas involved, particularly with their own national governments, and is there not the need for a closer dialogue between the Commission and the independent and state steel manufacturers so that we can work together and meet the credibility challenge that Mr Davignon so skilfully outlined?

**President.** — I call Mr Porcu.

**Mr Porcu.** — (*F*) The Commissioner will not be surprised to hear that neither the workers and managers, the technicians and engineers in the iron and steel industry nor the Communists with them, can support the guidelines which he has put forward.

And the reason why is that they are based on a Malthusian principle, in other words on a restriction of production and productive capacity. What is at issue here is the logic of economic development which seeks to achieve the highest possible return on investment. This is a concept which leads to wastage as a result of poorly planned investment and to the destruction of much productive capacity, including the most efficient. Why not advocate a new logic of industrial production based on the satisfaction of social requirements? We need only look at the deprivation in which many people live, both generally and in relation to the appreciable advances made in our times by science and technology, to realise that the scale of these requirements is immense. There is not too much steel: I would say that there is not enough!

I come to my second question: what steps does the Commission intend to take to promote a policy designed to achieve economic and social progress in strict compliance with the treaties establishing the European Community? Allow me to tell you how the workers feel. They like their work and the tools they work with; they have no inclination to produce anything anyhow. They are for progress and they wish to see their products sell on the market. They do not want to be jobless and assisted but to live a full life as producers in the awareness of the fact.

My last question is one for Mr Vredeling rather than yourself and he will doubtless deal with it. It is important that working hours in the mines and in the iron and steel industry should be adjusted with an appropriate scale for each week, each year and for the whole of working life.

**President.** — I call Mr Ansquer.

**Mr Ansquer.** — (*F*) Mr Davignon's statement is a sort of overture to the much more detailed debate to be held in this House next month. However, I should like to make three points today and put a number of questions to Mr Davignon.

My first has to do with the extension for a further period of the anti-crisis measures which go under the name of the 'Davignon Plan'. While an extension may indeed be desirable, at least up to the end of 1979, should not one or two adjustments be made to the plan? This ties in with Mr Schwörer's question on

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prices. Are you considering any rise in the minimum prices? My second question, still on those anti-crisis measures, is whether Mr Davignon believes that the Commission should ensure that those measures are applied more strictly with regard to certain countries and, above all, to certain undertakings which infringe them. What is at stake here is not only the credibility of the Commission and the Community but also the credibility of everything we do.

I come to my second point: in our view, the Commission should do more to ensure stricter compliance with bilateral agreements. Some countries infringe them. Spain, for example — and this is hardly promising for the discussion that we are to have on the subject in the Community — has exceeded its assigned quotas.

My third and final point has to do with Community exports to the United States. The USA has introduced what are known as 'trigger prices', which means that they have raised their import prices, thus threatening Community exports in both the short and medium term. How can those difficulties be attenuated? What do you intend to do to support Community exports to the United States?

**President.** — I call Mr Dalyell.

**Mr Dalyell.** — Could Mr Davignon, when he makes his statement next month to the Parliament, go into the problems of the dumping, in various countries of the Community, of steel pipes, which almost certainly are sold below cost price? This is a complex issue, but it hits those firms that make pipes and raises all sorts of questions as to whether subsidies are given by governments, either directly or indirectly, within the Community. I will leave it at that as time is very short, but I hope that attention will be paid to this problem, which the Commission know very well about.

**President.** — I call Mr Müller.

**Mr H. W. Müller.** — (D) Mr Davignon, one of the main features in the funding of your restructuring programme was that ECSC customs duties should accrue to the Community. I have certainly nothing against that on principle but, as far as I am aware, the Council has discussed the matter on many occasions; on 19 September of this year it again failed to reach any decision as it could not find any reasonable formula for the re-allocation of these funds. Can you tell us whether there are any new proposals that hold out prospects of a reasonable settlement in this matter.

I come to my second question, Mr Davignon. We all know that the iron and steel industry does not only help to improve the employment situation and incomes by the jobs it provides on its own; it also does this indirectly by providing employment in those

branches of industry from which it takes goods and services. You made this point in your introductory remarks. I know that it is extremely difficult to make an accurate assessment of this cause and effect relationship but I have before me the findings of a survey made by the Saarland Chamber of Industry and Commerce in February of this year which states that the ratio for the Saarland steel industry is 1 : 2.11, in other words, for every job in the steel industry there are two jobs in the upstream and downstream sectors. Those sectors consist mainly of small and medium-sized undertakings which are therefore indirectly hard hit by the steel crisis. Could the Commission conceivably work out a programme for those undertakings too or provide aid, for as a rule — if I may put it crudely — they find it extremely hard to elbow in at the subsidies trough?

**President.** — I call Mr Ellis.

**Mr Ellis.** — Mr President, Commissioner Davignon has made a very significant and important statement, which I warmly welcome.

First of all, could he tell us something about the time-scale involved? One knows that restructuring is an on-going circumstance, but in the specific case we are now dealing with one assumes that there will be a period of time when one could say that the restructuring has been completed. Could he give us, if not the precise date, some kind of idea of the time-scale within which he hopes to see his efforts completed?

Secondly, a question which has a bearing on the question put by my friend, Mr Pisoni, which indeed was precisely the same question as I put to the debate last month about the powers the Commission had, and which Commissioner Davignon was unable to answer then. Of course, I can see quite clearly, now that he has made this statement, why he could not answer it then. I could rephrase it slightly, and ask him in these words: one assumes that the moment the programme starts, assuming that there is, as it were, a starting date, that it must move forward reasonably uniformly. What kind of arrangement has the Commission in mind to see that there is adequate monitoring of the uniformity of the development of the proposal, and does he think that in fact, when one talks about national aids and so forth, that he will be able to get the full cooperation of the governments concerned?

Thirdly, Commissioner Davignon did mention various criteria which should apply to determine production and prices and so forth. In the case where there is an enterprise which at the moment is clearly self-contained, is its own accounting unit, and which, even in today's circumstances, is clearly profitable do I take it that such an enterprise would be under no constraints whatsoever arising from this particular programme?

**President.** — I call Mr Edwards.



**Mr Edwards.** — Mr President, I hope the Commissioner will forgive me if I say I think the Commissioner and our European steel industry is being mesmerized by the idea of bigness. I think we are taking the Japanese steel industry too much as an example. In the plan in my country, and in most of the countries of Europe, many steel plants serving local metal manufacturing industries, highly profitable, are being closed down or scheduled for closure as if they never existed, in the interest of an overall plan. I think the whole of this policy needs to be considered again. We are not always going to have the very low growth that we have today. Surely our Europe is going to expand, and then there will be greater demand for steel. May I ask the Commissioner a specific question which I have raised before? And that is, what is the Commission — the Coal and Steel Commission — doing to investigate the possibilities of applying in the small plants in Europe the queue process that is so successful in America and in one plant in France and in one plant in Sweden? This is where you put in the oxygen at the bottom, rather than the top. There is very small capital expenditure, and it is proving highly efficient. I think we only have three such plants in Europe, and I am wondering whether this new process — a revolutionary process — has been thoroughly investigated.

**President.** — I call Mr Ripamonti.

**Mr Ripamonti.** — (I) I am grateful to Mr Davignon for his statement and I should like to ask a question on the problem of new sources of revenue for the ECSC budget. Last year, when we discussed the draft budget in the House, I called for the allocation to the ECSC budget of revenue from customs duties on ECSC products. My question to the Commissioner is this: do we wish to link this allocation of resources to the reconstruction and reconversion plan for the steel sector, to tie these funds provided by the Member to the general objectives of the restructuring programme and, once the structural — and at the States same time the economic — crisis is over, to make this the basic source of the ECSC's own revenue. If we link this allocation of new resources to the five-year-plan, I feel that our objective can be easily achieved. My second point has to do with the transparency of aid. I agree that national aids in the steel sector should be transparent but we must distinguish between specific aids for the steel industry and general aids that respond to the need for regional conversion and are directed towards industrial activity as a whole — I refer to underdeveloped regions — just as we must distinguish between specific aids to steel undertakings and intervention by government as a shareholder in undertakings that are partly in state ownership whenever it is a question of striking a fair balance between risk capital and borrowing.

**President.** — I call Mr Davignon.

**Mr Davignon, Member of the Commission.** — (F) Mr President, I should like to reply briefly to the questions which have been raised because I think that they are important.

I should like to say to Mr Hoffmann that we have the figures relating to Community imports in 1978. They are slightly lower than the 1977 figures and we estimate that the situation will remain unchanged in 1979 if we continue with the present arrangements.

As far as exports are concerned we do not like to make forecasts because of the risk that steel manufacturers may break the rules, claiming that they will find markets abroad. For if no markets are found abroad, Community-produced steel will have to be sold on any terms obtainable and prices will fall. We are therefore highly cautious on this point as it involves an unknown factor. The steps taken by the United States to strengthen the dollar, for instance, will affect US growth and also, it is clear, our own exports.

You also asked me how we were doing to set about reducing the twenty million tonnes. We shall do this in keeping with the programmes. The process of restructuring is geared to the general targets which have been set and any aids granted by way of a supplementary budget will obviously be contingent on those general targets being met. This implies a positive response to Mr Ripamonti on the link between the supplementary budget and the restructuring process.

I feel that the questions on employment and conversion procedures can be better discussed during the December debate as they will take up more time. However, I should like to say briefly to Mr Pisani that we are engaged in talks with Spain and that, given the size of the Spanish steel industry compared with the Community's, we have put it to the Spanish representatives that we should not wait until the negotiations take place before laying down a certain number of common rules; I would say to Mr Ansquer that we have told the Spanish representatives that the 1979 arrangements will have to allow for some leeway to be made up since they did not keep within the commitments made in 1978.

As for political backing I believe that there is more support today from the Council than there was a year ago — the psychological significance is appreciable — and that we have the means to carry out our policy in as much as we are resolved to use the instruments at our disposal, in other words to refuse to give the green light to investments and to grant aid outside the context of the restructuring programme.

As regards the growing awareness in the Community that the conversion will not succeed unless we adopt

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an imaginative approach towards new growth industries and services, I must say that this is a view which I fully share. There is a worrying lack of proportion between the efforts made to restructure and development possibilities. But by the beginning of next year we intend to attack the serious shortcomings in what the various Member States are doing so that we do not end up in the contradictory and unacceptable situation of providing the means with which to convert and not knowing what to do with them!

One of the other questions asked was about the use and supervision of the resources invested in the process of reconversion. I must say that we are extremely strict in this respect as I can think of no sadder situation than to see, alongside a steel industry that has ceased production, a reconverted industry that has to close its doors because its viability depends on artificial aid criteria. We are not playing games, it is human lives that are at stake!

On the subject of prices, I should like to make it quite clear that if it is observed, the price level will be a floor level which will bring revenue to the steel industry and enable the user industries to steer clear of difficulties. Price increases will be dictated by the changing economic situation. We are not going to induce price increases but if, because of the economic situation and the play of normal market forces, they do occur, we shall not take preventive action and because they will have been caused by changes in supply, demand, quality or some other similar factor, they will not be inflationary. I am convinced with Mr Schwörer — and this will answer Mr Procu at the same time — that we do have problems over the use of steel. Nor have we given sufficient thought to the question of increased consumption for this is certainly an area in which something can be done. I know that I will not surprise him any more than he surprised me in his general assessment of the situation — which he couched in the most courteous terms — when I say that it is not true that there is too much steel. Unfortunately, there is much too much steel! And we cannot induce consumption artificially but that does not mean that we can do nothing to influence it.

The code governing aids is part of the package submitted to the Council on 21 November for a decision by the end of the year, for this is clearly one of the instruments of supervision we mentioned and without it, the programme would not be complete.

I would say to Mr Osborn that we do in fact from time to time come across market phenomena which can only be explained by arguing that when the rules are broken, everyone tries to jostle for position and, I would even say, to seek advantages by cheating, and this is a matter of concern. It explains why — and I shall have the opportunity of discussing this in

December — we have set up a comprehensive monitoring system which tells us from the order books what is happening at Community level. It is important that we should be able to find out what the processing industry can stand. I must tell Mr Müller that I would not dare to advance a figure on the ratio between jobs in the steel industry and those in other sectors but my reading points to the same sort of relationship of one to two which he himself quoted from the Saarland survey with which I am familiar.

Mr Ansquer's question I dealt with in passing but I shall return to it later at greater length. Mr Dalyell was right to say that there is a problem that needs to be looked into and we shall attempt to deal with it in two ways, chiefly through a clearer policy on dumping which is the real source of all distortion. Secondly we have a problem with Spanish exports which forms part of our general discussion.

With regard to what we need by way of additional finance, it is true that up until now, the Council has been saying two things. It told us that we were right to ask for the money we were asking for and that it should indeed be allocated to the Community in compliance with the Paris Treaty but that it did not wish to hand over customs duties, considering that some did not pay enough and that others paid too much. We could say this to the Council: 'If you were private debtors, you would be behind bars because on the one hand you promised us money and on the other, you refuse to agree on how we should get it'. This leaves us with an important political problem and if we have not settled it in the meantime, we shall certainly have to discuss it again in the month of December; we cannot accept that once requirements have been acknowledged as genuine, it should be impossible to reach agreement on the method by which the Community should be provided with the necessary funds. I shall have the opportunity in December to return both to the problem of time scale — a question raised by Mr Ellis and one which has its subtleties — and to the monitoring system.

I shall also have the opportunity to tell Mr Edwards that our purpose is not to recommend concentration and 'bigness' as a matter of principle. There is a whole range of specific measures that can be taken to meet the special needs of small factories. But to go on from there to claim that because they play a useful role, small factories are the answer to everything clearly implies some degree of sophistry and, as Mr Osborn well knows, special steels require substantial investments which cannot be put up by small units. I should like to conclude by replying to the two fundamental questions raised by Mr Porcu as to whether the policy we are pursuing fits into a wider policy of economic and social progress. From our point of view, the answer is yes. I appreciate that we may not agree on this point as we do not necessarily define

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economic and social progress in the same way. But I have said, and I believe this to be important, that there can be no question of our developing this programme if it brings no benefit to those whom it affects. This is an essential point. As for the question of working hours, I have already stated my views on the subject: we have made it clear that the question of working time in industries faced with major difficulties must be gone into extremely closely; this in itself does not offer a cure-all; we must not think that shorter working hours will settle the problem. The question here is whether undertakings can survive if shorter working hours generates extra costs. But if it creates additional resources within the undertakings or results in productivity gains, the question is clearly well worth considering.

**IN THE CHAIR: MR HOLST***Vice-President*

**President.** — I call Mr Schwörer.

**Mr Schwörer.** — I should simply like to put a very short supplementary question on prices which, I think, follows on from Mr Ansquer's question. You said that when the economic situation and the play of market forces made higher prices possible, the problem was different as the price level would then follow supply and demand. My question is this: now that the Commission has curtailed supply artificially through its minimum price regulation and its agreements with third countries, will you amend those agreements if Community demand becomes greater than at present, that is if a change in the economic situation generates higher demand. In other words, will you then allow more imports from third countries in order to maintain the price balance?

**President.** — The debate is closed.

**10. Supplies of ore to the Community**

**President.** — The next item is the oral question with debate (Doc. 292/78) by Mr Ansart and others to the Commission:

Subject: Supplies of ore to the Community

- since ore resources of various kinds constitute one of the basic foundations of industry in the countries of the Community;
- since the resources available within the Community of certain ores are somewhat limited;
- since an adequate degree of self-sufficiency is one of the conditions of the Community's economic independence;

Does the Commission not feel:

1. that the speeded-up closure of the iron mines in Lorraine (a region which has the bulk of available resources) is contrary to the interests of that region, of France and of the Community;
2. that it is on the contrary the consequence of domination by the most powerful iron and steel groups;
3. that the Commission should abandon the plans put forward by Mr Davignon for reducing production of zinc ore, given that resources of this ore within the Community enable it to be self-sufficient;
4. that the Community countries should do their utmost to make maximum use of the ore resources available to them?

I call Mr Porcu.

**Mr Porcu.** — (*F*) Mr President, ladies and gentlemen, Mr Commissioner, back in 1951 the Communists were the only party to warn the workers and public opinion of the real intentions of those who sponsored the European Coal and Steel Community. All — and I repeat *all* — of the other parties were loud in their praise of the exalting prospects which were about to open up for the peoples of the countries concerned. Today the truth is plain: the benefits have been reaped entirely by the large financial and industrial concerns. As far as the workers are concerned, the Europe of prosperity has turned out to be the Europe of unemployment: today we have six million jobless with no prospect of work. The free movement of labour has become the trek of the unemployed: whole regions are doomed to decline and decay: the profit race and the desire for ever higher returns on capital are the cause of tremendous wastage both in the means of production and in human and natural resources.

The use made of the Community's raw materials makes it particularly clear how damaging the economic policy pursued has been. I should like to begin by taking the example of zinc ore. Here we have a raw material of which the Community has abundant enough supplies to make it self-sufficient and even a net exporter. The deposits in Greenland are particularly easy to exploit, thus making for high productivity. In France, the Bureau of Geological and Mineral Research is currently engaged in drawing up an inventory of mineral resources on French territory which may well uncover the existence of further reserves. In those circumstances, it is surprising that you have proposed on behalf of the Commission a cutback in Community production: this is being done in deference to the short-term interests of a few large companies who see in this move a means of raising prices and restoring their profit level. This shows particularly clearly that the economic independence of the Community is a catchword that is refuted by the sort of development of which this is

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only one example. What we are faced with here is a choice in favour of the interests of a producers' cartel made without any regard whatsoever for the requirements of economic development. What we are for, on the other hand, is a policy of independence for my own country and also for the Community and one of the underlying factors here is the need to ensure adequate supplies of ore and to make full use for this purpose of available resources. But I would prefer to take the situation of French ore production in general and of the Lorraine Basin in particular. No one can have forgotten the soothing words and blissful promises of prosperity which accompanied the happy marriage of German coal and Lorraine iron, destined by the ECSC to the brightest of futures. French iron ore was gradually ousted by minerals from outside the Community. As a result, yesterday's Lorraine, an important industrial area in the heartland of the Common Market, is becoming a depopulated area, littered with the debris of mines and factories doomed to destruction. The numbers employed by the mining corporation are dwindling rapidly. In 1962, there were still 23 000 workers, employees, managers and engineers; in 1974 the number was down to 8 854 and in 1977 to 7 118. A further 1 378 redundancies have been made in 1978 with another 1 000-1 500 announced for 1979. Output in 1961-1962 was 62 million tonnes but the figure fell to 35 million tonnes in 1977. This year's figure will be no higher than 30 million tonnes. According to Mr Varoquaux, chairman of the "Chambre Syndicale des Mines de Fer de France", future production should level off at around 28 million tonnes. While production was falling, productivity increased substantially. It rose from 13 to 37 tonnes per man-day with peaks of between 45 and 50 tonnes in certain mines which are nevertheless earmarked for closure. I shall quote as an example the case of the mine at Hussigny-Godbrange in Meurthe-et-Moselle. The height and width of the cutting face are both between seven and eight meters with cross-roads sixteen meters wide. Ore extraction conditions could not therefore be better. There are large unworked reserves: ten million tonnes with an iron content between 33.5 % and 34 %. The companies which work the ore and own the mine are located nearby, between ten and fifteen km away, and yet the employers have decided to close the mine in 1979.

For thousands of mineworkers, Europe means the dole and for those who remain, a deterioration in working conditions which is a source of numerous accidents and serious disease. 192 workers have lost their lives since 1 January 1960 i.e. the total labour force of a mine. Accidents are growing more frequent and more serious. Bronchial cancer among miners, which is not recognized as an industrial disease, is killing many young workers. Some of the social benefits which the mineworkers struggled so hard to obtain are being called in question. The monthly pension entitlement after 30 years work below ground is FF 1 863 and FF 1 578 for surface workers after the same length of service. Even although on top of this

there are certain allowances which bring up the monthly figure to FF 2 000 or 2 600, is this enough to live on and to go on raising children, many of whom are still of school age? What is there to say of the dire distress of miners' wives who have never been able to find work and many of whom are widowed at an early age with no more than 50 % of the husband's pension? No serious and lasting rehabilitation scheme has been considered for mineworkers. I know some who have been made redundant five times since 1962. What remains of human rights in those circumstances? What remains of individual freedom? In support of this policy the industrial concerns, the governments and the Community argue that we must be competitive, that there is competition to face and that better prices are obtained abroad. I shall show you in a moment that this is untrue.

But one point deserves to be clarified here. It is not my purpose to absolve the steel companies and the French government from their responsibilities. They are the chief sinners. They were the first to begin the gradual move away from French mineral ore. I put a question on the subject to the French government in the National Assembly on Wednesday 8 November. The reply was in bad faith, flippant and irresponsible. The irresponsibility of the French government is compounded by that of the Community which has been quick to take the same wrong road by renegeing on the signatures at the foot of the ECSC Treaty. First of all in France, the proportion of foreign ore used in blast furnaces has gone on rising to the detriment of French ore.

In 1977, 15 700 000 tonnes of iron ore were imported, the same figure, to within a few thousand tonnes, as in 1974. But French steel production in 1977 was four million tonnes lower than in 1974. The French steel industry has cut back its consumption of French iron ore by 12 million tonnes from 35 million to 23 600 000 tonnes. All the other Community countries have followed suit.

The German iron and steel industry offers a further example of what should not be done; with its coal supplies, the industry was to be happily married within the ECSC with our unfortunate damsel. In 1977, the Federal Republic took only 6.01 % of its ore from the Community, most of it from France. The remaining 43 million tonnes was imported from non-member countries. It was not so much a happy marriage as a shameful case of adultery. And who was the co-respondent? If we look at page 24 of Bulletin No 722 (blue series) published by the Trade Union Chamber of the French steel industry, we find that in 1976, the iron ore imported by the Federal Republic came from the following countries: Australia — 1 275 000 tonnes, i.e. 25.5 % of production; Canada — 6 355 000 i.e. 13.6 %; Liberia — 6 600 000 i.e. 14.1 %; Norway — 1 139 000 i.e. 2.4 %; Mauritania

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— 961 000 i.e. 2.01 %; Sweden — 5 267 000 i.e. 19.2 %; Venezuela — 2 112 000 i.e. 4.5 %; India — 565 000 i.e. 1.2 %; other non-member countries — 1 889 000 i.e. 4.4 %; France — 2 807 000 tonnes i.e. 6.01 %. My own country, the other partner in the marriage, acted in exactly the same way but carries even more of the blame, having given away the bride from Lorraine. The following figures, again for 1976, are given on page 9 of Bulletin No 737 published in the red series by the same source: Sweden — 1 846 000 tonnes, i.e. 13.38 %; Liberia — 1 928 000, i.e. 13.97 %; Mauritania — 2 262 000, i.e. 16.39 %; Australia — 1 696 000, i.e. 12.29 %; Venezuela — 585 000, i.e. 4.24 %; Brazil — 4 143 000, i.e. 30.03 %; Peru — 111 000, i.e. 0.80 %; Canada — 830 000, i.e. 6.01 %; Spain — 395 000, i.e. 2.86 %; other countries — 1 000, i.e. 0.01 %; ECSC countries — 1 300, i.e. 0.01 %. I would add that in 1977, France not only imported from those countries but also from South Africa, the country of apartheid! These figures show that although it occupies a fairly comfortable place on the Community market, Swedish iron ore is far from being the strong competitor that some people say it is. The reality is that the main competition to French iron ore comes from a neo-colonialist policy towards countries which have recently attained independence.

I should like now to reply to a further argument which has doubtless occurred to you, ladies and gentlemen: imported ore has a higher iron content and is less expensive. Let us look a little more closely at this argument. The figure we shall take is not the iron content expressed as a percentage but the cost of a tonne of pure iron at the factory gate and the port of destination. Firstly, in the case of Lorraine iron ore, with an average iron content of 33 %, the price per tonne of pure iron is Frs 79.78. This figure is given in the Annual Mining Review. In the case of Swedish ore, with an iron content ranging from 60 % to 62 %, the cost of a tonne of pure iron is Frs 161.90. The figure for Brazilian ore, which has an iron content of 65-67 %, is Frs 153.97. In the case of iron ore from Mauritania, with an iron content of 62.66 %, the cost is Frs 154.06. My source for those figures is the French customs department, an official body if ever there was one as it comes under the French Ministry of Finance. I apologize for quoting all those figures but they must be given if we are to have a clear debate. I am not interested here in a political argument but in a down-to-earth discussion of the figures. This takes some time and I hope that the Commissioner and my colleagues will bear with me, for it is best to leave nothing shrouded in darkness. It is also said in high circles that the increase in the consumption of scrap has an adverse effect on the position of iron ore. But the consumption of scrap has not in fact increased. On the contrary, it has fallen steadily. The statistical bulletin of the Trade Union Chamber of the French steel industry tells us that the amount of scrap that went into the manufacture of one tonne of cast

iron was 6.74 kg in 1974, 9.1 kg in 1975, 4.7 kg in 1976 and 4.2 kg in 1977. The facts and figures which I have given you show that there are no technical, economic or financial reasons for neglecting Lorraine iron ore. We are also told that the international division of labour leads inexorably to the disappearance of a large number of traditional industries in our own countries. We do not dispute the need for a new international economic order. But it cannot be achieved by denying the realities of national life and by turning to production specialisation and selectivity in obedience to the profit motive. The international division of labour and the new economic order must be based on technical, industrial and commercial cooperation, and on a development of trade that brings reciprocal benefits to the parties involved. At a time when authoritative voices are being raised to warn public opinion and our governments that our natural resources are finite, it is nonsensical, to say the least, to allow what are by far the largest ore deposits in the Community to go to ruin. I could go on with my demonstration but I feel that I have already said enough. I shall, however, reply to a further objection from those who asked why we should buy more expensive ore and sacrifice the more competitive and whether the reason is to keep something in reserve for a rainy day. This question can be answered in the affirmative if we refer to the underexploited deposits like those to be found in the west of France for example. But it is absolutely untrue in the case of Lorraine where we have organised sabotage on a gigantic scale. For every million tonnes of iron ore extracted two million tonnes are lost without hope of recovery; under the present policy of the employers in the iron and steel industry, what we shall lose for ever amounts to two thirds of the Lorraine iron ore basin with its estimated reserves of nearly 5 000 million tonnes. The taxpayer will have a hefty bill to pay. And so I ask you, Mr Commissioner, what you are going to do under the ECSC Treaty and the resolutions adopted by this House, including the one in 1977, to ensure adoption of a course that gives priority to the raw materials available in the European Community?

**President.** — I call Mr Davignon.

**Mr Davignon, member of the Commission.** — (F) Mr President, here we are certainly faced with an extremely important, difficult and complex problem. Clearly it is in the interest of the Community to make maximum use of the raw materials it has. The Community is patently in a situation where it is in competition with countries which, in a position to sell us both raw materials as such and processed raw materials, will take steps to see that their own producers, on the domestic market, have cheap raw materials enabling them to sell low-priced manufactured products, but will try to sell their raw materials to us at the highest price they can get.

### Davignon

As regards the principle and the need, therefore, there is no argument. The question is whether, in the specific case with which we are concerned, all the conditions are present in which we can really say for certain that the policy followed so far has, in fact, been a bad policy. You have quoted a whole series of figures which are important. A certain number of points arise from them. Firstly, since 1950, a large number of iron ore producers came onto the market as a result of which, at the end of the '50s, the Lorraine fields, and those in Luxembourg also incidentally, were Europe's biggest iron ore resource. Since then other countries have come on the market like Brazil, Australia and the West African countries, which have major iron ore resources but also — and this you did not say — iron ore resources that meet the yield percentages you have referred to although the phosphorus content is a long way from reaching that of Lorraine ore which implies certain extra costs in its use and processing.

The second point is that, at a time of depression in the steel industry, it is clear that there also had to be a reduction in the use of iron ore and that firms in the steel industry, in the crisis through which they were passing, would try to obtain ore at lower prices.

But here you claim, on the contrary, that the industry has gone for more expensive ore in order to put the Lorraine mines out of business. I shall therefore analyse the figures you have given me with the greatest care because they do not agree with the ones I have and it seems to me that, rather than throwing figures at each other, we ought to analyse yours in order to compare them with ours. I hope that in this way we shall be able to make some progress.

Basically, what is the issue? At the moment we are faced with an economic process in which the change in the situation is causing us the difficulties we are experiencing today and if there is no explanation for this then we are in an unacceptable situation economically, politically and socially. If there is an explanation at the level of the situation of the workers, which is no better, it is very clear that this is a situation that has not been brought about artificially. And it is because I take the figures you have given very seriously that I do not want to give you an answer off the cuff.

I would add two points that seem to me important. The first is that the iron ore problem has arisen in particular in our relations with Sweden, a country where the iron ore mines — which are nationalised — are in a very difficult situation and are being given considerable help both in production and in rail tariffs. We have therefore begun discussions with the Swedes in order that, under the treaty we have with them in the framework of EFTA, we might arrive at least at similar terms. But here we come up against a number of arrangements which do not fall within the

province of the Community. There are situations, for example, in which certain countries (including France) have very high rail tariffs for short distances because transport policy is designed to favour other modes for short distance transport and this fact creates difficulties with regard to transport costs for Lorraine iron ore. Here again we have entered into negotiations and discussions in this connection.

Lastly, there is one point to which you have not referred and yet which seems to me important. It is the lifetime of the mineral resources we have. At the rate of 65 000 tonnes — a peak rate for the iron ore mines — the depletion of these resources would have been infinitely swifter than in present circumstances. You did not refer to this. We can also compare those figures. Compared with the figures I have, this would mean that reserves would be exhausted in about 10-15 years time. At a less intensive rate of working maybe we could stabilize at a certain level.

These are the various facts that we need to take into account. What seems to me to be vital in a discussion of this kind, where it is important not to embark on anything too lightly, is to put the following question to ourselves: if, every time a real difficulty exists, Community policy bases itself on the idea that no adaptation is possible because we are in too intangible a situation, does this mean that the consequences of the situation have to be passed on to someone else and, in this case, to whom? The consequences of the situation would be passed on to the steel industry and yet, in the previous item on our agenda, we noted that the steel industry is incapable of forming a united front with regard to other industries because it itself is in a situation of fighting for survival.

I therefore feel that the situation we are discussing at the moment demands that we should check with the greatest care whether the conditions of industrial use and the prices of Lorraine ore, for certain uses and for certain countries, are or are not very much better than those of other ore that is imported. There is a difference at the level of the figures and we should clear this up. That we shall do before the next part-session and if it should appear that this price difference does not agree with my figures, in other words if we should find out that there is a real possibility for Lorraine ore to be used rationally and economically I can give you my assurance that we shall then take steps to see that a Community resource is not put at a disadvantage in relation to an external resource which, what is more, is of lower economic and industrial value. Nevertheless, according to the present information we have on this matter that is not how the situation stands.

That is what I wanted to say, without being too categorical because I am careful not to be categorical on questions where human welfare is at stake. I shall check back and if I find that the various points you have made are correct — this will all have to be carefully

**Davignon**

weighed — we shall take the steps that are called for. If, however, it is confirmed that the operating conditions of the firms using iron ore are such that the burden on them would be made intolerable by increasing ore consumption beyond its present level then we shall be in the context of conversion and social measures which is another area in which the Community can act. This, therefore, is what we shall do between now and December.

**President.** — I call Mr Caro.

**Mr Caro.** — (*F*) Mr President, my first object is to inform the house once again of the very serious concern that we all feel about the situation of the Community's iron ore mines, and since I am French like the members who have tabled the question, the grave economic and social problem by which our miners in the Lorraine are so badly hit. Everything must be done, not merely to help them but also to safeguard their rights, for them, their families and their region.

As to the question put to the Commission by the Members in the Communist Group, I would say that its object is rather to make use of the difficulties the Community will be encountering with regard to its future ore supplies as a springboard for attacking the market economy system. The question recommends a policy which, to be put into effect, would mean higher prices for finished products, higher costs and a weaker competitive position. The authors of the question, if they will allow me to make this suggestion, ought instead to suggest a full debate so that we might have a wide-ranging discussion in the House not exactly on the subject of waste but perhaps on the subject of the recycling of raw materials in our industrial society. In view of the present situation of the world raw materials markets, in which there is free movement for most non-ferrous metals, national non-ferrous metal deposits can only be mined at the cost of a heavy financial charge, in other words by public subsidy from the Community. The situation of the Community Member States as regards the mining of iron ore is just as difficult at the moment as for the production of non-ferrous ore. As we all know, Europe has practically no major deposits of high-content iron ore, Kiruna in Sweden being the one exception. Conversely, some countries in the Third World are working incomparably richer and larger iron ore fields.

Have the authors of the question seriously considered the consequences that the policy of restricting imports that they want would have throughout the world? It would not seem so. Without further discussion, we are therefore entitled to consider that this question would seem to be more inspired by demagogic ideas that do not necessarily coincide with the concern to ensure the prosperity of the Community. This is why I would

be in favour of a wide-ranging and well-prepared debate, as a follow-up to this question, on the problem of the recycling of raw materials in our industrial society.

**President.** — I call Mr Baas.

**Mr Baas.** — (*NL*) Mr President, it has not been made easy for us to go into the concrete questions that really ought to have been put. I believe that Mr Davignon has very clearly shown that a discussion is difficult if facts and figures are used that cannot be directly verified particularly since the discussion is strongly influenced by a number of elements and a number of comments which are more aimed at the extremely sensitive problem facing us than at contributing to the solution of the problem that is on our agenda. As a highly developed industrial area in the European Community, I feel that we are very much dependent on imports for our supplies of raw materials, and therefore I would like to ask Mr Davignon whether we really have reliable figures with regard to supplies. In the first place we should intensify exploration for our own resources but we should also make the most rational use possible of the ones we already have and I believe that that is the essence of the problem — naturally, always in the framework of an economically viable activity. We have an economic Community and, after all, it is a fact that economics have their part to play. I regret that the dominant position of the powerful iron and steel groups should have been introduced directly into the question as a feature of this very difficult problem.

It is my belief, Mr President, that the European Community, constituting the biggest trade bloc in the world (and as such, the Lomé Convention is naturally important to us), we must be extremely careful. Here I support what my French friend has just said. If we really were supposed to have worked towards an adequate degree of self-sufficiency as one of the conditions of the Community's economic independence, then I feel that we have exceptionally disappointing results to show for the first 25 years. We would have to come to the conclusion that not only is the productivity of our labour a long way in arrears, but also that the raw materials out of which we make our products cost so much that it is impossible for us to be competitive anywhere in the world. Here of course I am placing the accent on short-term policy and planning in the somewhat longer term.

I feel that the background to the information which Mr Davignon has given us on the steel industry is that there is no longer any scope for mining ore that, in price conditions and quality, does not come up to what is available elsewhere in the world. But Mr Davignon is naturally completely right. We must take a keen look at the way in which the prices of ore delivered to

**Baas**

France and Germany from other parts of the world are arrived at. I feel, in fact, that we should have a discussion on this subject in the near future.

Mr President, apart from their associated economic costs, the production and mining of raw materials may not only be bad resource allocation policy in the short term but also, in the longer term, bad policy with regard to raw materials resources. I am leaving all social implications aside for the moment, but I certainly have the impression that if we decide to mine raw materials then we are leaving out of account the economic realities of the present world in which we are operating as the biggest trade bloc in the world — for we have a very important place and a very important task in that world — and are disregarding the economic realities in a number of sectors of our economic activities whereby we are likely to do serious damage to our trading position.

I would therefore be very grateful if Mr Davignon could have the figures produced today by Mr Hansard, our French colleague, tested and assessed so that we can have an opportunity to discuss them, free of any political problems and all the social insecurity for the many people who are affected. We must try, in all objectivity, to live up to our responsibility, now and in the future, including that towards the people that are at this moment in such serious difficulties.

**President.** — I call Mr Porcu.

**Mr Porcu.** — (F) Mr President, Mr Commissioner, I would firstly like to express my appreciation of the speeches that have been made which, with one exception, have concentrated on the real problems and I note that Mr Davignon has agreed that it is necessary to use the Community's natural resources, I hope that, together, we shall strive to see that this is so in the future.

Next I would like to give a few supplementary arguments and details. As regards Sweden, the proportion of that country's exports, at least to France, is shrinking. In this connection I would point out, and Mr Davignon will not contradict me I am sure, that the Swedish ore is largely phosphorus like Lorraine ore. As regards the life of our mineral resources, Mr Commissioner, this is what we say and you will find it to be true.

In Lorraine there are nearly 5 billion tonnes of iron ore with a field not yet mined which extends towards the Jura. I confirm, Mr Commissioner, that — with present mining policy — there is absolutely no question of mothballing the Lorraine Basin as a workable reserve. As I have just said, for 1 million tonnes that have been mined, 2 million — that is two-thirds — has been given up for all time and is therefore non-recoverable. This will have to be watched.

Secondly, there is nearly 3 billion tonnes of iron ore in the Bassin de l'Ouest, plus a field in the Pyrenees. Nothing has yet been found in Brittany but the signs are hopeful.

As regards prices, which would make the situation difficult for the steel industry, you know very well, Mr Commissioner, that the bosses of the mines and the bosses in the steel industry are the same people. You said that the figures would need checking. I fully agree and I would point out, on that point, that my figures are taken from the yearbooks of the General Customs Directorate in the French Finance Ministry.

I would also ask you, Mr Commissioner, to tell us what would be the social cost, in other words the amount that would have to be paid as severance pay, for early retirement and for destroying equipment, which would also add to prices. We ought to be given some idea.

This, therefore, is what I wanted to say, thanking you again, Mr Commissioner for the replies you have given us.

I would not like to enter into an argument with Mr Caro. This is not the place. But, although we have to take into account the effects of a policy of restricted imports on third countries, I would ask Mr Caro not to lose from sight the consequences of such a policy for France and for French miners. As regards third countries, we have to develop a real policy of co-operation contributing to their economic development in the way that meets their needs without relegating and confining them to the role of raw materials suppliers. In this way we would really be performing our role as both French and European members of parliament.

**President.** — I call Mr Pisoni.

**Mr Pisoni.** — (F) Mr President, I would like to ask Mr Davignon whether the Commission intends to produce a document for us as a basis for the full-scale debate we shall be having on these problems in December.

**President.** — I call Mr Davignon.

**Mr Davignon, member of the Commission.** — (F) Mr President, it would seem that we have two questions. We already have on the agenda for the December part-session a debate on the 1979 policy for the steel sector on which the report that I have written and in which I have intentionally gone into great detail will be available in the parliamentary records and on which I shall have to give any further explanations required by the Commission when I go there at a date which I have forgotten but which I know is before December.



**Davignon**

With regard to the discussion that we have just had and which raises questions concerning both the particular situation of the Lorraine Basin and at the same time the more general problem of the steel industry's iron ore supplies, we shall be preparing as quickly as possible a document that we shall communicate to Parliament and which normally would be the subject of a discussion in the Committee on Economic and Monetary Affairs. But in view of our workload I cannot undertake today that this will be written, translated into all languages and available to the Committee so that we may discuss it in December. I do not like to give undertakings that I am not certain to be able to keep. We shall certainly transmit the document to Parliament in December but I cannot say whether it will be early enough for discussion at the next assembly. Possibly it will be the January part-session.

This is the reply that I wanted to give to Mr Pisani's two questions and Mr Porcu's supplementary question. If we have to make all these highly complicated calculations — which incidentally, are always contested — to establish the social costs warranting the retention or closing down of an industry, it is essential that we have all the necessary data and this, unfortunately, is not always the case. Often we have to ask Member States for the information. I would therefore like to keep separate the debate on the iron and steel industry itself, the date of which is dictated by requirements and what is to happen early in 1979, and hold a debate on ore supplies preferably in January, which would give us the time to do all the preparatory work, at least if Parliament agrees. Otherwise, of course, we shall do our best.

**President.** — I have received from Mr Ansart and others a motion for a resolution (Doc. 449/78) with a request for an early vote, i.e. without reference to committee, pursuant to Rule 47 (5) of the Rules of Procedure, to wind up the debate on the oral question on supplies of ore to the Community.

The vote on this request for an early vote will be taken at the beginning of tomorrow's sitting. If it is then agreed to have an early vote, this vote on the motion for a resolution will be taken during voting time at the following sitting.

The debate is closed.

### 11. *Tripartite Conference*

**President.** — The next item is the debate on

— a statement by Mr Vredeling, Vice-President of the Commission

and

— a motion for a resolution (Doc. 443/78) tabled by Mr van der Gun, Mr Klepsch, Mr Bertrand, Mr Schyns and Mrs Cassanmagnago Cerretti on behalf of the Christian-Democratic Group (EPP)

on the outcome of the Tripartite Conference.

I call Mr Vredeling.

**Mr Vredeling, Vice-President of the Commission.** — (NL) Mr President, I would like to report briefly on the course of the Tripartite Conference and give you some kind of assessment, against the background of the knowledge that Parliament, and the Commission itself, will have to proceed with a much more detailed analysis of the results of the Conference which was not possible in the short time available to us. All we can do is to give you the main lines of the discussions but I shall begin by saying that I am perfectly willing to go into far more detail at the meeting of the Committee on Social Affairs to be held at the end of this month. Now I would just like to make a few comments of a general nature and put forward a number of critical observations with regard to the results of the Conference. Tomorrow I have to report to the Commission since I have not yet done so. I can therefore speak here only under that proviso and purely on behalf of myself and Mr Ortoli who also attended the Conference. I shall be making a number of critical observations because the Commission received the results of the Tripartite Conference with mixed feelings. Mixed feelings because on the one hand it was pleased at the fact that the document we had prepared had played a significant part in the proceedings and that this had, ultimately, kept the parties to the Conference together. On the other hand, however, we had the very clear impression — or at least I did — that the Conference did not produce what it might have done. I shall try to explain what I mean and illustrate it briefly with one or two examples. It also had something to do with the way in which the Conference was prepared and the imperfect way in which this kind of conference functions.

In the preparatory period, after we had submitted our document to the Council which then forwarded it to the social partners and also, of course, to the governments concerned, I myself visited all capitals and spoke, as far as possible, with the social partners and the responsible ministers. As a result we had the very strong impression that agreement would be possible in principle at the Tripartite Conference on the policy to be followed, including that on the most controversial subject, namely the distribution of employment.

This last point is one of the things I was referring to when I said that the Conference did not produce what it might have done.

## Vredeling

But for the rest, the Commission received broad support for the economic strategy that it had set out in its document not only from the government representatives and ministers who spoke (with the exception of the British minister who was unable to be present because of urgent business in the Commons but whose spokesman made a point of voicing his agreement with our document), but also from the social partners. In short, this strategy boils down to selective stimulation of economic growth and investment policy and the making of further progress with the economic and monetary system. This is really the first time that the governments and the social partners, by endorsement though it may have been, have openly, because after all the Conference took place more or less in public, promised their support in putting the economic and monetary system into effect.

I therefore believe that this Tripartite Conference may be described as an important step forward, in any case as regards the main lines of that policy, in the preparations for the European Council. You know that at its last meeting, the Bremen meeting, the European Council had invited us to discuss the main lines of that policy at the Tripartite Conference. That took place, Mr President, and the main lines of that policy, as set out in the Commission's document — and this I can repeat with emphasis — won the agreement of those who discussed it, in other words the social partners and the governments.

As regards social policy, there was clear agreement on the importance of intensifying manpower policy covering the whole of the employment situation in both quantitative and qualitative terms. Improving the employment situation for young people, particularly in the public sector, was a point made by many ministers, including the French Minister for Social Affairs. The need for a responsible structural policy was also agreed, a sectoral policy, in other words not only for the sectors in difficulties — on which Mr Davignon had the dubious pleasure of presenting an analysis — but also for the so-called growth sectors, on which we have transmitted a document to the Council. The growth sectors were specifically referred to in connection with the application of the so-called Ortolí facilities. We mean selective economic growth and the selective stimulation of investment in sectors with future potential in economic but also in social terms as regards employment opportunities. The Conference expressed its clear support for this policy. About shorter working hours, differences of opinion prevailed between the trade unions and the employers. On the government side several ministers made the point that there could and should be discussion on the distribution of employment as an urgent matter that, for social reasons in the times we live in, was another instrument for combating unemployment. It was certainly not regarded as the main instrument in

the fight against unemployment but simply an additional tool since the classical economic instruments at our disposal would not be sufficient, according to all our forecasts, to guarantee full employment in our Community by the mid-'80s. For this reason we regard the distribution of employment as a necessary instrument. This was also the standpoint that the Commission clearly reflected in its document.

In that context, we stressed the need to limit systematic overtime. We said that flexible retirement, perhaps applied to certain branches, a shorter working week and longer holidays, etc., might also be considered as supplementary measures. You will find all this set out in our paper. On this point, the trade unions want concrete discussions to be held. They want a 10 % reduction in working time over the next four years, using the various possibilities that I have just referred to.

The attitude on the employers side was hesitant. How could it be otherwise. That is perfectly normal. We find the same thing in our own Member States. Hesitant, but not reserved or downright negative, as is stated in the president's conclusions. Their standpoint was somewhat more qualified. I can best illustrate this by quoting Mr Provost, President of UNICE, who said this :

L'UNICE ne conteste pas l'aspiration à une réduction du travail, mais estime qu'utiliser ce moyen pour résorber le chômage revient à gérer la pénurie de l'emploi, et elle est convaincue que sa généralisation apparaît d'une efficacité douteuse. Dans un examen éventuel de sa réalisation, il importe d'éviter un certain nombre de risques, à savoir : l'augmentation des coûts salariaux ; ces réductions de durée de travail doivent être réversibles pour éviter la rigidité du marché de l'emploi ; elles feraient augmenter certaines pénuries de main-d'œuvre existantes.'

But I would point out that Mr Provost, speaking on behalf of UNICE, referred to a *réalisation éventuelle* which would have to meet these conditions. That is not the same as reacting purely negatively. On the special recommendations that we made in the field of overtime, and so on, the President of UNICE said that '*toutes les autres mesures spécifiques qui seraient envisagées devraient dans leur application éviter le même écart.*'

Mr President, I wanted to bring this out, in speaking on the results of the Conference, to explain my statement that I had the impression that the Conference could have produced more than it actually did.

I would now like to make a few comments about the points made on the government side. As I have said, the subject of shorter working hours gained considerable attention from the governments. It was stressed by exceptionally numerous delegations that this ought to take place in the Community context and that a Community discussion should be held on the subject.

## Vredeling

Apart from limiting systematic overtime there were frequent references to shiftwork, e.g. the introduction of an extra shift in continuous working. More than one minister also referred to flexible retirement as an important form of the redistribution of work and to the regulation of outside work as recommended by the Commission.

At the Conference, the Commission's document seemed to be the factor that prevented the trade union side from walking out. From the contacts that I have had, that seems to have been a real danger. Towards midday there was a serious danger that the trade unions would pull out but before they decided on their final position they put the question to the governments and employers: do you, like us, accept the Commission's document as a basis for the policy to be followed in the immediate future?

This question was answered in the affirmative. In the president's conclusions you will find the statement: it is agreed by the governments, agreed by the employers and agreed by the workers that the Commission's document is a good basis for the policy to be followed in the future. In that document there is a large number of things that are not explicitly stated in the president's conclusions as such so, as far as that is concerned, I feel that, though I would not say we can be satisfied, for that I certainly am not, we nevertheless have a basis on which further progress can be made because after all such a discussion cannot take place at that kind of political level without necessarily having some effect.

Mr President, the question now is our procedures for the future. It was not agreed at the Conference that there should be a further conference. It was not said, as it was on the last occasion, that the next conference would deal with this and that. This would not have been possible, anyway, because the trade unions, I am firmly convinced, would not have been prepared to take part. They were in no mind to bind themselves to a declaration about holding another conference. They certainly said that they would reflect about the manner in which such conferences ought to be organised and ways in which their preparation ought to be improved in the sense that a much better structure needs to be created for discussions between employers and workers at the European level. With this the Commission and I myself are fully in agreement.

This is one of the big gaps we could do nothing about and which the Commission cannot fill because it requires agreement of will between the two parties. The Commission can only act as a stimulus. That is what the Commission intends to do and what it has also tried to do in the past. We have always acted as a *trait d'union*.

What is more normal in the present situation in our Member States than that the parties affected should sit round a table together and to hold discussions and negotiations between themselves, that may sometimes,

indeed, be difficult, in order to reach certain results. This is no different at European level from the normal national situation that we find in our Member States.

Further preparation, the question of whether there will ever be another Tripartite Conference, depends to my mind on the crucial question of whether it will be possible to create a structure for discussion between employers and workers on matters of direct concern to them. And many of these — if the subject is the redistribution of work — are in very many cases matters that cannot be settled by governments in national situations but can be settled in discussion, in collective agreements and in agreements reached between employers and workers. During my tour of the capitals I heard it suggested more than once that we should work for European conventions, in other words European agreements in the areas I have just referred to. This was proposed in more than one quarter as an interesting possibility. The Commission feels that this should certainly be gone into further and that every possible means of putting this proposal into effect should be considered. In my view the answer to the question of whether it is possible to arrive at this kind of convention will also decide whether it will ever be possible, at least within the foreseeable future, to hold a further Tripartite Conference.

These, very briefly, are the main lines of the conclusions. The Commission's offices are currently busy on a detailed analysis of the points made by the employers, trade unions and governments in order to plot the lines of future policy on that basis. I have just said that I shall be happy to give the Committee on Social Affairs a detailed report on the results of that analysis when it meets at the end of this month. I shall also be ready to help the rapporteur with documents we have used that are, perhaps, somewhat unofficial and cannot, officially speaking, be made known. For its background information, Parliament in my view has a right to know how the Commission has gone about things — behind the scenes as well. In that way I feel that we shall be better prepared than is now possible to hold a debate in Parliament, presumably in one of its forthcoming part-sessions.

The preparation for this conference was therefore difficult but even so it was possible to prevent the Conference from breaking down. This was the great danger that threatened. The trade unions expressed their dissatisfaction with the fact that the employers side was not prepared to go any further than it did. Neither was the attitude of the governments always clear either in the opinion of the trade unions. At such a conference this is, of course, extremely difficult. One of the defects in the whole set up, for example, is the fact that there was no Council of Ministers present that could take decisions as a Council. Only individual government representatives could be dealt with. In short, there is a number of deficiencies in the organisa-

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tion of the Tripartite Conference calling, in my view and I think in that of the Commission as a whole, for a number of very necessary improvements. In the preparation of this conference we primarily made use of existing institutions, so to speak, for instance the Standing Committee on Employment and the Committee on Economic Policy. In the presidential conclusions you will find implicit approval of that policy because the report says that we should make preparation for further action along the same lines. It is not a perfect method and is capable of improvement and the Commission in the coming weeks — it is my intention to press forward with all speed — will be seeking out better and more promising approaches in consultation with the social partners.

**President.** — I call Mr Van der Gun.

**Mr Van der Gun, chairman of the Committee on Social Affairs, Employment and Education.** — (NL) I shall begin, Mr President, by thanking Commissioner Vredeling for his enlightening statement and still more for the readiness he earlier expressed to analyse the way everything has gone in connection with the Tripartite Conference at a somewhat calmer pace and in a somewhat calmer atmosphere.

On the other hand, I am pleased, Mr President, that we can discuss this matter just now because, at least in my opinion and I am speaking now primarily as chairman of the Committee on Social Affairs, Employment and Education, a few points have emerged prompting the question of whether this was the best way of handling things. As my first point I would take the way in which the preparation was made with the Standing Committee on Employment Questions and the Committee on Economic Policy. I must say that the working paper prepared by the Commission for the Conference was indeed, in my opinion, a very good paper. Here and there, perhaps, it might have been more concrete but that does not alter the fact that, in its main lines, it was indeed a good paper and that was also apparent at the Tripartite Conference itself. I remember very well saying to Commissioner Vredeling during the midday break: this is the third or fourth conference I have attended and I really feel that so far this is the best. At that moment I had no idea of what was to happen thereafter.

However this may be, Mr President, that report says that during the preliminary discussions it appeared that employment was the central problem and that people were ready to make sacrifices in the fight against unemployment. I must say too that I then formed a less negative impression of Mr Provost's figures quoted by Mr Vredeling. I was really inclined, in relation to the central point of the redistribution of available work, to say that the workers were very positive and that the governments were somewhat hesitant but not against, by which — to be honest — I was

agreeably surprised. On me the employers made a somewhat more negative impression than they apparently did on Commissioner Vredeling. For me, this raises the question of what basis there was for the Commission's statement in its paper on 'agreement in principle' (Commissioner Vredeling was very positive about it) or let me put it another way — and here Commissioner Vredeling is probably the best person, not to say the only one, to answer — were the representatives of the employers and the employers' organisations present at the preparatory discussion different from those who ultimately appeared in Brussels? This is a phenomenon that Commissioner Vredeling will remember from his earlier experience and he will therefore certainly understand its significance. Unfortunately, this is a situation that must be regarded as extremely difficult, and difficult to cope with, for future developments.

In this connection, the President at the Conference called on the Commission to continue discussions with reference to the redistribution of available work. That, I believe, is what we are here for. But the President of the Tripartite Conference did not at the same time say how that should happen in practice. Naturally we can say — and this is Commissioner Vredeling's well-intentioned interpretation — yes, we are ready to discuss and study the matter, but I feel that we do not have enough time and that, in particular, there is a number of countries, as events will show, that simply do not have the time to wait for studies and for these to be translated into action at the national level. And if there is one field where co-ordination is necessary at the European level then it is the field of a better distribution of available work with all the conditions of competition that may be affected if there is no co-ordination.

Whenever we think about competition in the EEC we always tend to think about competition from outside but there is also competition within the EEC and there the problem of improving the distribution of available employment plays an important part. If there is one thing that needs to be tackled at European and Community level it is, in our view, this problem and for that reason I would like to ask what the Commission can do in concrete terms. Certainly, in connection with what Commissioner Vredeling has just said, events show that social discussions as such in the framework of the Community are proceeding with great difficulty. It also appears that the European trade unions are going to discuss the question of what to do about Tripartite Conferences in the future. This is an extremely serious matter because, as has just been said, the discussion leaves so much to be desired and, on the other hand, we have to realise that the Tripartite Conference is in fact the most important platform we have in the Community for meeting each other, and that of itself is a very serious matter. It is a tiresome point but I would like to raise it, namely the

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reports made public by the press that the summing up by the German President was circulated in certain quarters a few days before the Tripartite Conference was held.

Yes, Mr President, if that sort of thing is true then I feel that it puts a time bomb under Tripartite Conferences because one might well ask what do we hold them for? And I agree with Commissioner Vredeling and I hope that we shall have the time and opportunity to take a thorough look at the Tripartite Conference as an institution and that we shall be able to have time to subject the procedure and methods that are followed to critical scrutiny.

The point is that I do not believe they serve any further purpose. This was the Fourth conference and every time we have to voice our disappointment again — some of us more so and others less — on what is achieved. We simply cannot continue like this even though from another angle, as Committee on Social Affairs, we hold the view that it is an extremely good thing that there should, in social matters, be a platform where governments, employers and trade union organizations can all meet each other. We therefore have a very positive attitude towards the institution as such but not with regard to the way in which it has functioned up to now. On this Mr President, in spite of the somewhat optimistic interpretation that has just been given by the Commissioner, we must record our serious objections and improvements must, in our view, be made.

**President.** — I call Mr Albers to speak on behalf of the Socialist Group.

**Mr Albers.** — (NL) Mr President, in my comments on behalf of the Socialist Group on the way things went at the Tripartite Conference, I will naturally begin by saying that I too appreciate the assessment that has been given by Commissioner Vredeling. When he speaks of mixed feelings I must say that there he is on exactly the right track. We have the same feelings in our Group; the only thing is that the bitter feelings far outweigh the sweet. We can of course report that the game was played according to the rules and that it might have been very much worse, but what purpose has the Conference served? Why was it held? The purpose of the Conference was to tackle unemployment in the European Community and to make a serious effort to keep employment in the coming years below the 6 million mark. If we really absorb what took place at the Conference then we have to come to the conclusion that there is one losing party and that consists of the workless in the European Community for they are not a jot better off for all that took place at the Conference. No wonder that the European trade unions were very disappointed. Not to one single concrete question put by the trade unions did they receive a concrete answer in

the conclusions of the Conference. They complain that the Commission's proposals did not go far enough.

I too, as rapporteur speaking on behalf of Parliament, was forced to the same conclusion. The point is that if we compare the Commission's document for the Conference and the Commission's communications with the report which Mr Glinne drew up in 1976 it is clear that the Glinne report, as the expression of the European Parliament's views on combating unemployment in the European Community, goes considerably farther than the highly-praised communication from the Commission. The trade unions asked for a concrete general European outline agreement, based on legal texts that could play its part in the collective negotiations that would be necessary to put the redistribution of available employment into effect. They were given no answer. They asked for an improvement in the position of the lowest-paid and they asked to be consulted about the instrument for monetary stability. They have repeatedly asked for the setting up of joint committees and they also referred to development aid which, in the opinion of the trade unions, should amount to 7/10 %.

A nice trade union movement, Mr President, we have here in the West of Europe! Higher wages are not the first consideration. No, the questions that were put reflect a readiness to exercise some wage restraint in return for certain non-material improvements for workers. And yet, at the time of the Conference, some striking statements were made including some on the employers' side. Naturally, the thread that ran through their argument was concern about the level of costs that would certainly or probably be higher. The ability to compete would be reduced, but the employers expressly stated they were against protectionism and they said that they would join forces in tackling the unemployment question. Pathetic words, but only words if there is no concrete approach to questions and proposals regarding, for example, shorter working hours.

On the government side speeches were made by practically all ministers for social affairs and employment that were very encouraging. Minister Thorn, the President of the Council, said that confrontation with the social partners at such a conference could be beneficial in the taking of Council decisions and could improve decision-making. Minister Boulin of France said that reducing working hours could lead to improved working conditions. Mr Albeda, the Netherlands Minister for Social Affairs, gave a number of positive replies to the questions put by the trade unions. It was naturally a pity that the other Netherlands ministers who spoke should have practically cancelled out this good impression by referring to reduced competitiveness, on exactly the same lines as the employers, and by saying that expenditure in the public sector had increased so much that it could not be increased in the next few years.

## Albers

Mr Scotti, the Italian minister, said — among other things — that he had expected more proposals so he, too, felt that the communication did not go far enough.

He argued very strongly that the shortening of working hours could not be decided separately by the Member States but was a European matter.

Minister Fitzgerald from Ireland fully agreed with the Commission's strategy and the Danish Minister, Mr Auken, rightly brought up the question of incomes policy which is, of course, very closely associated with the redistribution of employment. Minister Spitaels of Belgium called the shortening of working hours a European objective. All speeches that were encouraging but on which work will also have to be done in the future.

The President of the Conference pointed out, and here he was of course right, that the Conference was not a session of the Council of Ministers, in other words no decision-making body, but the President of the European trade union federation was naturally also perfectly right when he said: 'But would it not have been possible for the representatives of the governments, on the basis of all the discussions that have already taken place, *inter alia* in the Standing Committee for Employment Questions, to prepare and publish a statement for the Conference?' If that had happened we would have been that much further forward and we would have known the direction in which things might have been developed.

We must realise, Mr President, that if conferences are held in this way, if introductory speeches are made and conclusions drawn that are published days before, there can be no question of an exchange of thoughts or dialogue. Nor should it surprise us that such a Conference should come to an end without the Commission being given the green light to carry out the ideas and proposals set out in its paper.

Tomorrow — unexpectedly — a motion for a resolution is being tabled by the Christian Democratic Group. It refers to disappointment and the need to find a speedy solution to the bad economic situation. The Socialist Group considers that this resolution too, in the form in which it is tabled, is too non-committal. It asks for appropriate measures to achieve a suitable distribution of available work. What is a suitable distribution of available work? The resolution asks for this to be coupled with social policy and monetary policy. All this is too non-committal and not sharp enough in the light of the results of the Conference. For this reason we have tabled a number of amendments in which we suggest changes, *inter alia*, to the preamble. Our draft includes the fact that the President of the Commission said in his conclusions that the study

had to be continued because that really did come out of the Conference. And what must now continue to be studied?

The opinions that were voiced at the April meeting of the Standing Committee on Employment Questions on both the employers' and the trade unions' side, were repeated at the Conference. There was no sign of the agreement which Commissioner Vredeling referred to in a press communiqué or rather interview given to the *Financieel Dagblad*. There was no agreement; opinions differed and greatly too. In that case there is no sense in saying: Let them sit down with each other again and have another talk. What is needed is for clear objectives to be tabled, clear guidelines proposed and negotiations entered into as rapidly as possible — but with support from the Member States' governments and the European Community — for that of course, is what causes us most concern in this whole thing. It is perfectly clear to us that many measures that need to be taken with regard to this difficult question of the economic situation and severe unemployment will have to be prepared and carried out by the governments of the Member States. But when it is recognized at the Conference by the employers and also firmly by the trade unions and also the government representatives that a number of the measures to be taken have to be Community measures, then let us stop having discussions and making speeches about them, let us get things done. Let us put them on paper and discuss them. This is also the reason why, in the amendment it has tabled, the Socialist Group, expresses the hope that the Committee on Social Affairs, Employment and Education and the Committee on Economic and Monetary Affairs will once again make a thorough analysis of what happened at the Conference and submit a report to Parliament as quickly as possible so that this House can express its views on the matter and so that Parliament and the political parties represented here can say what they feel about the shorter working hours suggested in the Commission's document and what they feel about the other measures — the economic measures — that have to be taken. I believe that we ought to have a debate on this question and that no doubts should be allowed to persist about the European Parliament's attitude towards the combating of unemployment. The workless in the European Community have a right to know what we think about it.

**President.** — I call Mr Normanton to speak on behalf of the European Conservative Group.

**Mr Normanton.** — Mr President, first of all I have to declare that I have read the official report of this Conference. I have read press reports of the proceedings, and indeed in more than one language. I have listened to the introduction to the subject by Commissioner Vredeling and I have also taken the opportunity to have discussions with just two or three people who were present at that Tripartite Conference. And I

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am bound to say that if there have been expressions on the floor of this House of confusion, vagueness and the like, I certainly include myself amongst those who feel that that was one of the characteristics of this Conference. And with all sincerity one is bound to admit that one deeply regrets that that is one of the impressions of the Conference.

But when you come to examine, as far as one can, what in fact were the main topics discussed, I can't help but feel that far too many of the points made were what I would call short-term in character, short-term relief which completely overlooked the long-term impact on the economy of adopting a short-term policy. And the classical points which I think fall into this category are such items as work sharing, shorter working week, short-time working and cutting out night-work, which were frequently discussed. Now on social grounds I would be the last to suggest that these policies should be ignored or rejected out of hand. It would be totally unsustainable to reject these out of hand on social grounds. But what I feel from what I have heard is that the Conference failed to appreciate and to put into proper perspective the economic consequences of adopting these and other like-minded measures. In other words I think there has been a failure to grasp what is causing high unemployment or underemployment.

Basically the only diagnosis which I can find is that we are failing to be sufficiently competitive. After all it is a highly competitive world in which every Member State in the Community and countries around the world all are deeply involved. Unless we can somehow be equally competitive with those in other parts of the Community, then we are bound to suffer from under-employment and unemployment. The point which I would stress very strongly is that this apparent concentration — I wasn't at the Conference — on the desirability of worksharing and the like is guaranteed to make each and every sector of the economy of the Community less competitive. It really does cause me and my group deep concern that at the end of all the discussions it appears that the Council had failed to recognize the importance of being efficient, of concentrating on cutting production costs, of being competitive etc. I think we sometimes forget that Europe has a high-wage economy, a high oil and energy cost economy and as long as there are parts of the world where at least one or other of those factors does not dominate the economic scene, we are going to be vulnerable. I will not dwell any further on that except to impress upon Commissioner Vredeling and this House the crucial importance of coupling social policy and affairs with economic policy. I cannot help but feel that it is the lack of sufficient cohesion between the two which may well have left in the minds of participants and observers and those who have read the reports a feeling of malaise as to what really did come out of the conference; was it useful and was it constructive?

So I am bound to say, not in any recriminatory manner, Mr President, that when I heard Mr Albers refer to the employers rejecting protectionism, I would earnestly hope that Mr Albers is not suggesting or implying that we should change our stance as far as protectionism is concerned. I do recognize the deep concern which people feel on this particular issue. I can only stress with all the eloquence at my command that protectionism will achieve nothing but the preservation of poverty. It will certainly not improve efficiency and competitive capability. And I hope and pray that no-one in this House, however deeply upset and deeply concerned he is about unemployment will resort to that. Because that will be a guarantee of further and deeper and more permanent unemployment.

I would like, Mr President, to make very briefly a point I already made in the plenary sitting when we were considering the preparations for the Tripartite Conference. I understand that in the whole of this official report, there is only one reference to small firms. And yet the facts are that three-quarters of all people employed in business and industry, in productive and service industries, are not in giant corporations. We have not reached the stage in Europe, and I passionately hope we never will, where we are all tiny little cogs in giant machines, because that will be the ultimate in economic rigidity without any sense of individual involvement. So I think that the relative absence of reference to small firms and the role they play is very regrettable.

Secondly, a point which was referred to on a previous occasion, a criticism which I feel is thoroughly justified, is the composition of the Tripartite Conference. As its name implies, it is a conference of three parties one of which is called the 'workers'. In actual fact those who represent that sector of society, only represent a very small fraction of the working population of the European Community. If there is to be a rethink on how the preparations should be made for a future Tripartite Conference, if there is to be a reconsideration of how to achieve something more positive and more meaningful in the minds of participants and in the minds of the observers alike, then I hope the Commission will think and look very seriously at how the membership of that Conference is made up. We ignore the fact that only a fraction of people are employed in large companies and only a fraction of the total workforce is covered by trade union representation. If that fact is reflected in the composition of the Conference, it will be, I think, a useful and constructive contribution.

The last point I would make relates to a point which, I think, Mr Vandewiele but certainly I myself and others made in the hemicycle about a month ago. One cannot help but feel, reading the comments on the Conference, that one might see in it the dangers of the corporate state. And to illustrate this, I would

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suggest everyone looks at paragraph 1 of the Lammendorf report which refers to the participants taking, and I quote, 'political decisions'. Mr President, employers and trade union representatives do not take political decisions and that is a position on which I hope this Parliament will stand very firmly and resolutely. This is a matter for democratically elected governments and parliaments. This is a matter for the European Parliament, appropriately constituted, to be involved in; not employers on the one hand, or trade unionists on the other, or even both together.

May I leave my comments on that item and turn just for one second to the two sets of amendments, one set standing in the name of the Christian-Democrat Group and the other standing in the name of Mr Albers on behalf of the Socialist Group, I think there is much more in common between these two sets of amendments than might appear at first sight. Both refer to the fact that the Conference did not produce any positive results, a fact confirmed by all those with whom I have had discussions. Secondly, both refer to the inadequacy of preparations for holding the Conference, repeatedly mentioned in this House and I think universally endorsed, and the third reference is to the harmonization of the European monetary policy. As it happens, both lists of amendments underscore this point very strongly. And I think harmonization of European monetary policy needs much more underscoring, much more reinforcing, if we are going to produce long-term solutions instead of adopting short-term measures. So when we come in fact to voting on these amendments, it may well be that there will have to be a mixture; some of us will vote for one amendment, others may well vote for another amendment, taking selectively from each of these two sets of amendments. I only hope, Mr President, that when we come, or if we do come, to another Tripartite Conference, we will avoid the feeling of anti-climax and disappointment which I frankly believe I can sense in the minds of all those with whom I have recently consulted about this particular Conference.

**President.** — I call Mr Pistillo to speak on behalf of the Communist and Allies Group.

**Mr Pistillo.** — (1) Mr President, my group agrees with Commissioner Vredeling's statement that the Committee on Social Affairs should give consideration in greater depth than has been possible this evening to what he said in reply to the motion for a resolution by the Christian-Democratic Group. When it does so, it will be able to concentrate on the various aspects of the Tripartite Conference and on the more general questions of unemployment and the intervention policy in that field. But some things have been said already and we want to lose no time in expressing our views on the Tripartite Conference and some of Commissioner Vredeling's statements.

My first comment relates to the part played by this Parliament in the preparations for the Conference. On behalf of my group (and I believe this also goes for other groups in the House) I must protest at the rôle assigned to the European Parliament in the preparation and work of the Conference. We received the Commission's document no earlier than the day before the Conference opened; it was not even discussed by the Committee for Social Affairs; and, in the Parliamentary part-session at the beginning of October, Commissioner Vredeling argued that the preparation of the Tripartite Conference was little or no concern of Parliament's but of the Council, the employers and the unions.

This is the first chance I have had to answer Commissioner Vredeling and I now do so on behalf of our group in the light of the results of the Tripartite Conference, which were so abysmally disappointing that the question arises whether the Fourth Tripartite Conference should really be followed by a fifth at all.

This evening Commissioner Vredeling said that Parliament — I quote your words, Mr Vredeling — 'has the right to know how the Commission has worked.' But you cut us out, you made absolutely sure that Parliament was not involved in the Tripartite Conference except in the capacity of an 'observer' — and that was the part we played! But there is a question that needs to be asked: does an opinion from Parliament help the Commission? Do you or do you not need any suggestions, proposals or assistance which may reach you from Parliament? If not, say so! Because in that case there is no point in discussing the subject in the Committee for Social Affairs. But if you do need them, (and we maintain that you do) then the issue must be couched in different terms from those you used, Mr Vredeling, during the Strasbourg part-session at the beginning of October.

Because there are other things to be said I have taken very little time to set out the procedural aspects of the issue. But they are not merely procedural since they concern the rôle assigned to Parliament during the whole of the debate on one of the crucial issues in the political and economic situation of the European Community on the eve of Parliament's direct election by universal suffrage.

To go on at once to some questions relating to the subject matter, I should like to deal with two points in particular: the question of reduction of the hours of work and the curious idea — I say 'curious' because I cannot imagine where it came from — that full employment is likely in 1985.

On hours of work, I think the soundest and most sensible proposal was that of the Italian Minister of Labour — not because he is Italian but because I am



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looking at the various proposals coolly and objectively — and that was to the effect that, since there can be no question of a general measure embracing all fields, all industries and all categories of worker, hours of work should, in some sectors, be the subject of an agreement between the social partners (the employers and the trade unions) and must not be the subject of unilateral decision by any individual state acting on its own, or by individual sectors, however important, or even at Community level except by consent and agreement of the social partners concerned.

Commissioner Vredeling did not disagree with this but, in my view, we must approach this aspect of the labour situation with care if we want to avoid finding an answer to the question of hours of work which is wrong, inadequate and fails to tackle the real employment problems which face the European Community today. In short, anyone who concentrates exclusively on the question of reducing hours of work is inclined to think in terms of those who are in employment and to ignore questions such as industrial re-organisation and conversion, investment, and long-term planning for the multitude who are not. This is an aspect of the problem which Parliament and the Commission have a duty to consider from every angle, even in the light of the unsatisfactory and wholly disappointing outcome of the talks which took place at the Tripartite Conference.

My second question is this : who ever told you that, by 1985, we should have defeated unemployment in the EEC? You have published a document which is kept among the acts and in the files and libraries of the EEC and, I suppose, of the whole world, stating that 1980 will be the year of full employment. We are almost in 1980 and we know what the position is : 6 million unemployed. Demographic factors will, it seems, solve the problem. We advise you not to repeat the mistakes of earlier years. We must face up to the facts : neither demographic considerations nor any last-minute palliatives of any kind can hand us full employment on a plate. We shall get that only as a result of an integrated economic and monetary policy, and a big improvement in Europe's general economic strategy ; it will only come as a result of investment on a larger scale than at present and a planned approach to the problem mainly at national, but also at Community, level. Either we agree on such an approach or, Mr Commissioner, it will all be as they say 'pie in the sky', like the Tripartite Conference with all its disappointments.

The Committee on Social Affairs, Employment and Education hopes to meet shortly for a further and more thorough discussion and to comment with less haste and greater depth than it has done this evening, so I conclude by welcoming the initiative of our Christian-Democratic colleagues and by asking all political

parties to ensure that Parliament is not pushed aside on this issue ; to defend its right to express an opinion and exert its influence on the policies to be applied ; and, finally, to ensure that we have seen the end of the attitude of mind which prevailed on the occasion of this Conference, when Parliament was put to stand in the corner with the result now before the House.

**President.** — I call Mrs Dunwoody.

**Mrs Dunwoody.** — Mr President, I always hesitate to be too unkind to Commissioner Vredeling. I always feel it is rather like kicking one's favourite Teddy-bear. But I am afraid that I can hardly refrain from saying a few unkind words in common with everybody else, because frankly the result of the Tripartite Conference was unfortunately what a lot of us suspected. And I do think that there are one or two things that we might say plainly and with no fear or favour at the present moment. If we have reached the stage where certainly the trade unions and even possibly the employers' organizations are actually beginning to wonder whether there is any point in continuing with the Tripartite Conference, is this not a good moment to sit down and think about where we have gone wrong and what we are going to do about it in the future?

To start off with, what consultation procedures have we worked out over the intervening four years? Have we actually reached the stage where, all this time after the initiation of what was supposed to be a consultation procedure, we still have the trade unions saying we ought to be consulted when you are talking about worksharing? Because if that is the case, then it seems to me that we as a Parliament, quite apart from the Commission should be asking ourselves whether this is the sum total of all the efforts we have put in in the intervening four years.

I have listened with great care to this debate tonight, and I listened for example to people like Mr Normanton saying, of course competition is the most important thing, of course we must concern ourselves with those employers who are outside employers' organizations and those people who are not organized in trade unions, and I say to him that that is the greatest load of nonsense that I have ever heard. If we are to make any kind of a work programme for the future of Europe's unemployed we have to stop and think what it is that the Commission can do and what it is that the national governments are doing. And I say to the Commissioner that he is in grave danger of tipping over from the field in which he has responsibility, and in which he can actually coordinate and plan the attitudes of the various Member States, into an area where frankly only the national governments can actually work effectively.

**Dunwoody**

Let me give him an example of what I mean. The press in Britain, after this conference, actually carried a number of statements which seemed to at least suggest that the Commission were going to take action on things like night work, on work-sharing, presumably as far as one could see, on the basis of what had gone on in the discussions leading up to the Tripartite Conference, and we all know how sketchy they were. Now if it seems that the Commission is actually coming forward with a half-baked scheme that has not been properly thought out, then you are going to do the very opposite of the thing that you most want to do. You are going to alienate the organized working trade unions and the employers before you have got anything sensible off the ground. Because, let's face it, negotiation between employers and work people is a very delicate system anyway.

National governments have tremendous difficulty when they get involved in that process of bargaining, and my own government has still not efficiently worked out a system where they can make sure that the State's intervention and the State's legitimate interests do not get lost in the hurly-burly of quite acceptable negotiations between the trade unions and the employers. Now if that is so of national governments, how much more important is it that the Commission should know exactly what they are doing. We come here and we talk in this Parliament about the need for worksharing, and the Conservative Group suggests that of course we must not have any kind of protectionism. Now what is the reality of the matter? If you put forward an effective scheme of work-sharing you are instantly going to put up the overheads of many of the industries concerned. You are going to have to put a very considerable amount of money where your mouth is, and you are going to have to make up the money of the people in those jobs. If you do not do that, you are going very rapidly to find yourself in a position where there will be very considerable opposition, not just from the trade union workers themselves but also from the employers. So, there are very real problems when you come to the whole question of work-sharing.

If you are going to suggest — this is one thing that I saw — that there should be no more night work, then you must work out a scheme that will enable those industries to replace that work efficiently and cheaply. It is no use saying we are going to make it difficult for people to work in these conditions, because we do not think the 20th century can accept that kind of plan unless you say what you are going to put in its place. And the real difficulty about the Tripartite Conference was, frankly, its lack of real discussions about the unemployment problem. Four years after I came into this Parliament we are getting up saying the same things. We have young people, more young people

unemployed; we have more women part of an unemployed work-force because they do not show up on the figures; we have more industries losing jobs. Outside the door we have got miners talking about the problems that they have in the iron ore industry; we have difficulties in the steel industry, and yet still, when it comes to an important conference like the tripartite, the Commission has not got a really effective plan to put forward.

Why not? I think, because it has a misconceived view of its rôle. What the Commission can do in dealing with structural unemployment must of necessity, must by definition be extremely limited but what it can do it must do well, and I say to the Commissioner that the depressing thing about this conference was that nothing came out of it in practical terms, and what the trade unions said gave a very clear indication that they themselves felt that there was a lack of advancement in the discussion. Now I think that there are certain things which we are just going to have to face up to, and I may say that they will involve the Commission in doing a great deal of homework. They are going to have to work out with the ETUC, and with the employers' organizations the minimal scheme that they can put forward to create new jobs. And if I may say so, it is not going to involve voting large imaginary sums for assisting young unemployed, and then coming back the next year and saying, unfortunately, the machinery was so unwieldy, the difficulties were so real, we were not able to do anything about it in the time-scale. Because that will not do.

We are not here to have abstract discussions about unemployment. We are here to do something fairly constructive. And I think that we have got to say that certain traditional industries will demand some form of protection. There is no point in saying we cannot have protectionism, when there is traditional industry losing jobs faster than they can be replaced, and always in regions where they have problems from structural unemployment. So I think the Commission has got to sort out what its attitude is going to be in that particular field.

I do say that they must do something constructive about the women who are in low-paid jobs, because there has been no change, and in fact a positive deterioration, in the position of women workers in the Community. Certainly over the last twelve months more women have lost their jobs, more women are still being underpaid, even though we have a beautiful law that says equal pay is important, equal pay is written into the Treaty, equal pay is one of the tenets of faith of the European Community. It may be a tenet of faith — it is damn all else.

So I want to know if we are going to use this period of the next year or so constructively. Come to the Committee on Social Affairs and say to us we can

**Dunwoody**

only do one or two things: these are the things we can do. We can put a certain amount of money into training schemes. This is what we are doing to put that information across the Community so that every nation can benefit from the experience of any other. And do not, for God's sake, get involved in all the negative things that seem to be happening in the Commission. Do not let us get into the situation where when a country actually puts forward national means of safeguarding jobs, do not let us have the Commissioner with responsibility for competition come forward and say, oh no, no, no, you cannot possibly do that because that in some way might just conceivably attack some other industry somewhere else. Unless you have very good evidence that that is so, do not come and talk to us in those terms.

Look at what the national governments are doing, see where you can expand it, and put some money into it, because these are the only ways in which you are going to produce any other change of any kind. But finally, look at why the trade unions were so discontented with this particular conference. Look at why the employers went away feeling that they had not actually done anything at all. Say to yourselves as a Commission, we must find out where we have gone wrong and how we are going to put it right. If that means far fewer official talking shops like the Tripartite Conference and far more smaller consistent meetings on proper employment plans, then all well and good. Then we will not have a situation where in another year's time we will be having the same sort of ritual debate in the same way. I come to my conclusion on that note, Mr President, because I believe that is what this Parliament has to do at the present time.

**President.** — I call Mr Bersani to speak on behalf of the Christian-Democratic Group (EPP).

**Mr Bersani.** — *(I)* Mr President, the tenor of this lively and important debate proves how right the Christian-Democratic Group were to table a preliminary comment criticizing what happened at the Tripartite Conference, albeit in terms very similar to the conclusion reached by the Conference itself.

Everybody, beginning with Commissioner Vredeling, whose statement contained a number of criticisms, has recognized that, once again, we really must give thought to the purpose, organization and best use to make of vehicles such as the Tripartite Conference. There can be no doubt that the conference was rather a disappointment to all who took part because, obviously, something went wrong. This was the fourth Conference: it is by no means certain that the previous ones were much of a success. However, we can expect that, with the passage of time, we shall be able to record closer consultation with the social partners,

to which all of us attach the greatest importance both as a principle and as a democratic and necessary process for success in the objectives and activities to be pursued.

In consequence, the main subjects of concern are the conference itself, the preparations for it, its machinery, procedures and relationship with Parliament, and all these have rightly been commented on by previous speakers. But in this particular context, I do not think anything new has emerged; on the contrary, the unsatisfactory features of past occasions were merely compounded and, in my view, we should evolve a different conception of the way the Economic and Social Committee is to be used. What we are concerned with here is finding a democratic basis on which to provide the means for the social partners and the various bodies involved to participate in the application and development of social policy, by which I mean a policy carrying sufficient weight at all levels to give it a far more prominent place in Community policy as a whole.

Furthermore, this debate has extended beyond these organizational and procedural aspects and the institutional link-up and, because of this, it cannot avoid calling in question the social policy as such and its aims, strategy and relationship to other policies. For this reason I think that, when the debate is over, it is absolutely vital for the Committee on Social Affairs to carry out a thorough examination and draw up a report which will enable Parliament to define its attitude in more forthright and specific terms. As I said, we made these comments about the first, second and third Tripartite Conferences. That is all the more reason why, this time, we should not be content with making criticisms or expressing regret but should find some other way of resolving this difficult problem.

As for the social policy, I think we all agree that it is one of the most unsatisfactory of the Community's whole range of activities. Other policies have produced results from the very beginning. I am sure that Commissioner Vredeling, who has for years been a passionate advocate of this point of view, will agree with us that the subject must be gone into very thoroughly at institutional and political level in order to lay down, once and for all, a policy which the enormous mass of people who belong to the Community can recognize as their own, as happens in the case of other policies, other sectors and other parts of the Community edifice.

The subjects on the Conference agenda were certainly tough and ticklish ones both in the case of work-sharing and of the fight against unemployment by means of an energetic policy of economic recovery and revival of the Community as a whole.

I think we are all agreed on the need to bring to fruition these ambitious plans for Community-wide

**Bersani**

consultation under which, through collective agreements, the social partners can make a constructive and logical contribution towards the objectives agreed as a result of consultation. This is not an easy step to take because it involves both of the weighty items which dominated the Tripartite Conference. On the subject of work-sharing, I agree that we cannot deal with this problem on the basis of rigid blanket decisions but, as far as major areas of industry or activity are concerned, only by adopting appropriate measures as circumstances and conditions require and on the basis of conditions which can be seen to be improving throughout the Community.

At the same time, the Community must strive to improve its social policy, the measures adopted under it, its methods, its democratic processes and the consultative capacity of the social partners and imbue them with a vitality which gives greater credibility to all we say and do. Obviously, therefore the motion we have proposed is open to the amendments mentioned by Mr Albers and others. The motion is completely open to amendment because it is intended to be the first step on a course of action which we must pursue with all the determination demanded by the seriousness and urgency of these problems.

That is the intention of the motion and the purpose which, in closing this debate, we wish to emphasize.

**President.** — I call Mr Vredeling.

**Mr Vredeling, Vice-President of the Commission.** — (NL) Mr President, although I went home yesterday with the information that I was to make a statement on the Tripartite Conference here today without a debate I now find out that a debate has taken place and quite a considerable debate at that. I now have to reply against a background of, as I said before, an as yet incomplete analysis of the results of the Conference although I know that next month there will be another debate on this subject if I have understood things correctly. I would of course not like to criticize this Parliament, that is not fitting for a Commissioner, but I wonder whether this is in fact the most effective procedure and whether we should be keeping each other busy in this way.

I would now like to try to take a number of main elements from the points raised, firstly those raised by Mr Van der Gun. I would be only too pleased to eradicate the misconception that I said that the employers would welcome worksharing. On the contrary! But what I said was that the conclusions contained the bald statement that the employers reacted cautiously and even negatively. That is all.

But as the Commissioner responsible I was aware of more reaction on the part of the employers than that. Not only hesitancy and a negative reaction but also accessibility. Not so much on the central wish of the trades unions that in the coming year the working hours should be reduced by 10 %. This is a hypothesis which you will fail to find in the Commission's document either. Nor have I ever heard of the European Parliament supporting this idea. I would like to invite a Member of this Parliament to submit a resolution stating that working hours should be reduced by 10 % during the next four years! Until you can show me the contrary I predict that there will be no majority in this Parliament for such a motion! That is my prediction! If that were to be the case I would find the fact very striking. I would not say that it would please me since I do not know whether it is a very sensible measure to reduce working hours by 10 %. When one goes into the matter we find that the trade unions' viewpoint is not quite so straightforward. They do not say 10 % a week since this would boil down to a 35-hour working week, more or less. Their version represents a campaign in respect of overtime. Would the trade union movement accept that we try to change overtime arrangements, Mrs Dunwoody, would the TUC accept that? That this is not the time for unlimited, systematic overtime? This is a statement to which the employers have given their support. They understood the need to do something about systematic overtime. And then the flexible retirement age. I pointed out that in the steel industry this is already the case. In the shipbuilding sector it also occurs here and there. It is already accepted. Why should we then not make more central agreements. What the Commission proposed could have been discussed but that was not brought out clearly due to the unfortunate course of events. As a result of the strange atmosphere at the Conference and also the methods used — the chairman of the Conference, the arbitrary chairman of the Conference, whether it be Mr X from the United Kingdom or Mr Y from the Netherlands, can draw his own conclusions! Speaking of democracy, here I revert almost to my earlier role as a Member of this Parliament. Now I must choose my words with care! It is a fact that I am completely in agreement with everyone who has criticised the structure of the Conference! But I would like to point out that the Tripartite Conference was instituted at the time at the request of Parliament, under the chairmanship of the Council.

When I sat in this Parliament I was one of the few who ever voted against the idea. As a Member of this Parliament I was pessimistic about the fact that the Council would be in the chair! Now, Mr President, I do not wish to say that facts have borne me out, but that the Conference is less than ideal has been shown by the statements made by nearly everybody who has spoken here. It is one of the reasons for our disappointment, since the chairman, in the form of the President of the Council, can do nothing. He has no powers. He may perhaps try to derive something posi-

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tive from the Conference but it nevertheless remains a structurally unsound affair. So once again, Mr van der Gun, the employers were not very positive about work-sharing but they did consider a number of other things worth discussing, in my opinion, other than those contained in the conclusions. This is why I still have some hope that we can continue along the path we have already taken.

In fact the trade union side is to hold further consultations as far as I could ascertain from the press conference which they gave afterwards. But the Commission will be doing this too, since the Commission deserves criticism from the Parliament unless — and this is no excuse since I do not like this kind of excuse, Mr President — the responsibility lies with those who organized the Conference. That means the Council. The Council convenes the conference and it distributes the documents. The Council assumes the chairmanship and the Commission has some semi-official activities but does find itself in a difficult position at a Tripartite Conference where it is the fourth party. And here it is a matter of whether the Commission has enough ambition to make sure that its presence is noted. I try to do this as far as possible but it is not an ideal situation I must admit.

And now to Mr Van der Gun's comment that the conclusions were already in circulation before the Conference had been held! Yes, this was a Council decision. The idea was to work on the basis of conclusions put forward by the chairman and not on the basis of a resolution or something that remained to be discussed. This is what a previous speaker was talking about. I fully admit this. It was an imperfect situation! I even noticed that the Ministers themselves did not have the conclusions! I was sitting next to them! So I know what I am talking about! More than one Minister, Ministers from various countries, did not have the latest version at least. Finally I am of course not able to say very much about the not very highly secret consultations. I experienced a situation where as a joke one of the trade union representatives came into the conference room where we were meeting to ask whether he could have something to eat — this was in the Council of Ministers conference room — since everything had already been finished in the trade union room. And if that sort of strange occurrence takes place in an atmosphere which is rather confused, but where everything depends on what the political volition of those concerned is, what do they expect to get out of it? And it was clear that the trade unions were looking for a commitment on work-sharing and at the same time all the other matters, however valuable and essential they may be for the overall economic policy, were simply taken for granted by everyone. This major factor was again lost sight of in the discussion which we had, in my opinion.

Naturally that element was missed by the press in view of the generally accepted principle that man

bites dog is news but the reverse is not. Naturally those areas where there was general agreement did not get much coverage. The central subject was the economic policy to be pursued and not worksharing, which was perhaps an important component from the political point of view but as far as the contents of the policy is concerned, and certainly in the Commission's document that was accepted, it is only a component. A component which has thus been accepted now as a basis of policy and which must be further elaborated. Naturally I am a professional optimist. Just imagine what would happen if I had said that once is enough, and never again! That I should never again organize such a conference. I would then encounter considerable criticism here to the effect that I was simply giving up. That would of course be something to criticize. I therefore believe that it is my logical role to emphasize the somewhat more positive aspects as well as the negative ones which indeed exist. Mr Albers spoke of the preparatory committees. Here I also regret what happened. There was and still is no material conflict between the attitude of the employers and the employees on this point. Numerous committees have already been set up in which the employers cordially cooperate. This was not made fully clear in the conclusions put out by the chairmanship. It is in our report. I consider that this is another imperfection. What a pity that it was not contained in the conclusions! This is another example of what I was saying: it should have been included.

In order to avert a misunderstanding, Mr Albers, I did not give an interview to the *Financieel Dagblad*; what I gave was simply a briefing to the press but this was probably misconstrued and I am not responsible for that.

Mr Normanton spoke about the economic effects. Unfortunately he is no longer here otherwise I would have asked him a question on the basis of his comment that the connection between social policy and economic consequences of the social policy were insufficiently emphasized in the various statements and in our report. I would have liked to ask him: if you consider that the relation between social policy and its economic implications was insufficiently expressed and if you advocate that they should be more strongly expressed you are therefore in agreement with me that the converse should also be true, namely that there should be a strong link between economic policy and its social consequences? This converse was a more important item on the agenda at the Tripartite Conference than the first position which Mr Normanton defended. And then we come to Mr Normanton's warning about corporatism. I would be only too pleased to agree with Mr Normanton that there was a danger of corporatism since this would mean that something was being done.

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But nothing came of it, at least with regard to work-sharing, the most criticized component. There is no danger of corporatism. I believe that it is normal for employers, employees and government representatives to speak with each other on the basis that the result should not be political decisions in the sense of politically binding decisions of a parliament but rather political commitments to, let us say, the alignment of policies. That is a Dutch expression which is perhaps difficult to translate into other languages. In Holland this expression, I am virtually certain, would never meet with any objection. It refers to attempts to reach agreement on policy. Political decision-making is the province of a parliament and there I entirely agree with Mr Normanton. I get the impression that here too there is a translation problem.

Mr Pistillo's speech prompts me to refer once again to the persistent misunderstanding that I was trying to play down the role of Parliament in the whole Tripartite Conference. What I would like to minimize, and that is something I would like to say here explicitly, is the role played by Parliament at the Conference. The Parliament had no role at the Conference, Mr President, none at all. The Parliament is an institution which evaluates policy. In all my time as a Member of Parliament I have never come across the Second Chamber, the States General, as such being present at such a conference. I believe that it would be rather strange if the House of Commons as such were to be present at such a conference, Mrs Dunwoody. Individual Members of Parliament do attend of course but often in another capacity, in a combined capacity. But the place of Parliament is as an on-the-spot observer. I saw Mr van der Gun and various other Members there. I also saw Mr Pistillo there. That is right and proper since, as you have been able to see for yourself, I don't have to ask you simply to believe what I say. You can then see for yourself how things go and how things have gone and gain your own impression. This is proper, but I would say that the discussions between employers, employees and governments is a matter for them alone given the aim of the Tripartite Conference.

The Parliament wanted to be concerned in the elaboration of our report and it wanted to have a say. I have already told you that I refused this request both from the Parliament and from the Council, since the responsibility lies with the Commission. The Commission compiles this document on its own responsibility. You can criticize it now it has been submitted. Now you can criticize it, but not before. In the preparation of the document the Council tried to intervene with respect to the contents and the Parliament also tried. I objected to this for institutional reasons, for reasons of independence — since the Commission is an independent body in this respect, not inaccountable but independent in its own decision-making.

But as soon as the document was available for discussion I was prepared for it to be an open target for the Parliament. The criticism was indeed forthcoming and I hope Parliament will continue to contribute its criticism. It is with this in mind that I would like to avoid the misunderstanding, and this is addressed to Mr Pistillo, that I am trying to play down Parliament's role. On the contrary I believe that I must allow Parliament its full sovereignty *vis-à-vis* our activities. But only after the Commission has taken a decision should this be discussed as a proposal by Parliament. I do not believe that I have ever tried to avoid such discussion at any time or at any place or in any way.

Mr Pistillo asked who had in fact said that full employment should be restored by 1985. Mr Pistillo thought that perhaps this could be a natural result of demographic developments.

This is not so. If I mentioned the year 1985 it was to point out that if we did nothing or if we only took limited measures, then unemployment as a problem would persist until 1985. And that unemployment would only then start to decline as a result of demographic developments. But our study has shown that if we continue to follow conventional economic policy the unemployment figure of 6 million will tend to increase rather than drop, and will at all events be difficult to reduce. Then we will require a supplementary policy, another policy both for the economic aspects and for the social aspects. Here I am thinking of redistribution of labour in as far as this would produce a greater distribution of the work available amongst the people. We require the instruments before 1985 to achieve and maintain full employment in the vicinity of 1985. When this will be precisely, in what year we can reach it, I would not dare to predict. It depends so much on world economy that it would be irresponsible and run counter to all the scientific forecasts which I know of to name a certain year. I can only say that we must try to do it as quickly as possible and that we should not let ourselves be bound by a date.

Mrs Dunwoody compared me to a teddy bear. That is quite a pretty thought but nothing with which I could compare her springs to mind. She is in favour of small-scale activity and believes that things should not be applied on a large scale. I have the impression that Mrs Dunwoody was looking and searching for a better way than ours but I do not believe that she has discovered it yet.

The facts are that we simply have instructions to do a number of things of a Community nature. There has to be a European policy in the agricultural sector, a policy which is criticized by many of you. But the fact that there has to be a common agricultural policy as such is something which you will not deny. And a

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common trade policy, a common policy on developing countries. You will not deny the need for all these policies. They affect other countries and from a macro-economic point of view their social effects also have to be looked at on the same scale. You will not be doing the people you want to help a good turn if you say that I am only concerned with the social consequences at national level, on the small scale, whereas major decisions on economic policy and foreign affairs policy must be made at a central level. Here I fear that the values which Mrs Dunwoody rightly puts forward cannot be properly nurtured at national level alone. So tension remains between what has to be done centrally at European level and what has to be done in the national situation. I have already accepted the other criticism which Mrs Dunwoody made about the course of events. She mentioned a number of central subjects. She talked about women in the least-paid jobs. This is also a problem which may be rather distantly related to our Tripartite Conference but which is at the front of our minds in another connection, in the directives for equality of access to social security, for example. These are subjects to which I shall be returning in the very near future in this Parliament.

Mrs Dunwoody says that we must ask ourselves what went wrong with this Conference, where the blame in fact lies, and what were its imperfections. I accept that these problems exist and will return to them in the very near future.

Finally I would like to make a single observation on the resolution.

The deep regret that the discussions between the social partners did not produce any positive results is really a minor observation. The Conference was not a discussion between the social partners but a conference between three parties, not just the two sides of industry.

Then the paragraph which states that the Committee on Social Affairs had warned that the preparations for the Tripartite Conference were inadequate. The Conference was not well prepared in the sense that it had an unusual structure, but the Committee on Social Affairs has reproached us once before for not making preparations. And now that it has come up here again I would like to put paid to this idea for once and for all.

What was the purpose of the Conference? It was held for the trade union movement, for the employers and for the governments. The trade union movement praised the Commission for its very sound preparation. Praised it for its very sound preparation! The employers said it was very thorough and excellently prepared! The governments, which do not usually praise the Commission, did not utter any criticism of

the preparation in itself. On the other hand, in private they expressed their appreciation. Now there is only one institution which repeatedly claims that the Conference was not well prepared. And that is the institution — the Parliament — which was not involved in the preparation as such. Those who were involved say that it was well prepared. I fail to grasp therefore to what the reproach that things were not well prepared refers, unless it refers to shortcomings in the way in which the Tripartite Conference was conducted. That is the criticism, I would be glad to subscribe to it.

**President.** — No one else wishes to speak?

The motion for a resolution, together with the amendment that has been tabled, will be put to the vote tomorrow during voting time.

The debate is closed.

## 12. *Decision on medical and public health research*

**President.** — The next item is the debate on the report (Doc. 406/78) drawn up by Mr Ney on behalf of the Committee on the Environment, Public Health and Consumer Protection on the

proposal from the Commission to the Council (Doc. 295/78) for a decision adopting a second research and development programme of the European Economic Community in the sector of medical and public health research consisting of five multiannual concerted projects.

I call Mr Ney.

**Mr Ney, rapporteur.** — (F) Mr President, it is getting late, so I shall be brief.

We have to consider a Commission proposal to the Council for the adoption of a second research and development programme in the sector of medical and public health research. It consists of five multiannual concerted projects in the following fields: attempted suicide as a question of public health; detection of the tendency to thrombosis; the measurement, comprehension and replacement of impaired hearing; and the criteria for perinatal monitoring and quantitative electrocardiography. The programme is due to start on 1 January 1979, and will last four years. It is basically concerned with demonstrating the urgent need for collaborating and for the coordination of national programmes in order to avoid duplication of work and improve the level of research.

In selecting these projects, the Commission was guided by the following criteria: the projects must be of interest to the Community as a whole; they must

Ney

concentrate on prevention, diagnosis and re-habilitation; they must have some practical value from an economic and social standpoint; and they must produce concrete results within a reasonable time. I believe the five projects satisfy these criteria.

There has been some suggestion within the Commission of mapping out a third programme. There was discussion on questions relating to eye diseases and back ailments. But I think it is too soon to comment on the value of these suggestions. In any case, our future programmes should continue to concentrate on prevention.

One of the Commission's projects is concerned with attempted suicide, which is increasing at an alarming rate, especially among the young. There are, of course, other problems affecting young people but national efforts to solve them and the information we have about them are far from satisfactory. Drug addiction and alcoholism are examples. In the case of future projects I think we must give priority to health education and guidance for the young.

There is a third point. The Committee on Budgets has given a favourable opinion on these proposals. It suggests that Article 3 should be deleted because it could prevent Parliament from exercising its budgetary powers. Since decisions of this nature ought to be taken during the annual procedure for adopting the budget. The increased appropriation and the staff requirements are provided for in the draft budget for 1979, which means that the provisions of Article 3 could be left as they are. But provision has been made for the programmes to be revised or extended and for fresh proposals to be submitted. In view of this, I think that Mr Lange is right in submitting an amendment which will change the wording of Article 3; it is based on Article 10 of the Financial Regulation of 21 December 1977 and I think we can adopt it.

I call on Parliament to adopt the Commission's proposal.

**President.** — I call Mr Lange to present the opinion of the Committee on Budgets.

**Mr Lange, draftsman of opinion.** — (D) Mr President, ladies and gentlemen, after what the rapporteur, Mr Ney, has said about the view of the Committee on Budgets and about the understanding which has been reached in relation to the wording of Article 3 — there is another point of this type later — I can refrain from making any comments in this connection in order not to waste time unnecessarily. The rapporteur has said that he will accept the amendment and so the matter is closed. I hope the same also applies to the last item on the agenda which will be presented by Mrs Squarcialupi. In that case I can again refrain from any comment.

**President.** — I call Mr Jahn to speak on behalf of the Christian-Democratic Group (EPP).

**Mr Jahn.** — (D) Mr President, ladies and gentlemen, we welcome the research project in this programme, the main aims of which are as follows: extension of the current Community programme of medical research to other areas, in line with the medical, social and economic need of all Member States; the accumulation of scientific and technical information in the five selected areas already mentioned, by means of cooperative research efforts at Community level; integration of an increasing proportion of national research activities in the research and development policy of the Community, in so far as it relates to health policy, which should be linked with various other Community policies; this is in the mutual interest of the Community and the Member States.

It also seems important to us that interested non-member States involved in the cooperation in scientific and technical research — Norway, Austria, Portugal, Sweden, Switzerland, Spain, Greece, Finland, Turkey, Yugoslavia — should also be able to collaborate in the implementation of the programme.

We agree with the Community on the Environment, Public Health and Consumer Protection that a separate coordinating committee should be appointed for the five multiannual projects. Also the Commission is quite rightly requested not simply to limit itself to the early detection of thrombosis and coronary ailments, but also to expend considerable efforts on the coordination of preventive information programmes and the encouragement of healthier eating and living habits.

Accordingly it only remains for us to call on the Council to adopt the necessary decision soon for the implementation of this second research and development programme, so that concrete results can be achieved within the foreseeable future.

We congratulate Mr Ney on his expert report and we shall vote for the motion for a resolution.

**President.** — I call Mrs Squarcialupi.

**Mrs Squarcialupi.** — (I) Mr President, I want to do more than give formal support to Mr Ney's report. I appreciate the great scientific importance of the programme which was the subject of his report and I also appreciate the information he gave us on the question of prevention and health education.

I should like, however, to make a proposal which I hope will be formally adopted. I had submitted a question on a proposal for the health education to be subject in European schools and given priority as a preventive measure against accidents and drug addic-



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tion. I have been told that the question has been taken out of question time and will be considered tomorrow during discussion on the report on education. So, in view of the fact that the question is a document which has been printed and distributed in the official languages, I should like, if you will allow me, Mr President, under Rule 29 (2), to change the question into a positive motion which would go like this :

Proposes that the achievement of a new quality of life would be promoted by awakening in EEC schools an awareness of health problems centred on accident prevention, on addiction to drugs, tobacco and alcohol, on the excessive use of pharmaceutical products and on the pathological and socio-economic effects of pollution and environmental disturbances.

In other words, I am asking for the inclusion in Mr Ney's motion for a resolution of those words, which, I repeat, were not printed and distributed for the purposes of amendment but as a question. I believe that, if knowledge is being acquired on such important subjects, the schools must follow suit by giving the necessary instruction in hygiene.

IN THE CHAIR : SIR GEOFFREY DE FREITAS

*Vice-President*

**President.** — I call Mr Lamberts.

**Mr Lamberts.** — (NL) Mr President, I too wish to thank Mr Ney for his considerable achievement. There are only a few of us left here now and it has always been the custom for us to be friendly towards each other. I blame Mr Brunner, who is responsible for this programme rather than Mr Ney, for the fact that it is rubbish. If I was a Jew I would say : *Agge, nebbisch*, what good is a programme like this. This whole programme is behind the times. We have now been discussing suicide attempts by young people in international organizations for about 15 years. We know what the reasons are. We simply have to do something about it. We say that the Commission and the Parliament and also the Council of Ministers are in favour of doing something. If we already have the necessary knowledge we must not start a new investigation and postpone the matter even further. We must now take action. This is also part of the second programme.

As regards thrombosis we are seeing new developments every day. Professor Durrer in Amsterdam has now found that when a heart infarct occurs a certain substance forms in the blood vessels which can be washed out with a salt solution. Naturally it is important to discover these things but this is not a matter

for Europe. It is a world question. We know about the importance of thrombosis and of heart and vascular diseases. We must do something about it. We must attack the problem at the basis and not run along behind the symptoms. This is again another example of an investigation that will only lead to delays in implementation meaning that we shall have to wait longer until something is in fact done.

The assessment of deafness is also a point in question. We know about this. Half of our European industrial workers are hard of hearing. We know this fact. And we also know why. But we are doing nothing to prevent it. In the case of small children you can carry out early tests for deafness and do something about it. As for the rest, we know what the answer. We are looking into the problem simply in order to do nothing about it.

Then there is the whole series of pre-natal checks. So much research has been done in this area during the last few years. We know how to put together a programme to guide the process of birth. The first birth is the important one. Things must be arranged on an outpatient basis with very good supervision. If the child is allowed to be born too soon its brain will be affected and it will come into the world as an invalid. If you are too late you get children who have too little oxygen and who thus require care which in turn calls for millions each year. We know how things stand, we simply do not do enough. This is true of a whole series of things. The only point to which I agree is the fifth. There must be sound regulations for electrocardiography in Europe. This is a quite useful point for the future but there are naturally masses of new threats in our society where Europe could do something.

There are for example hormone upsets such as diabetes and thyroid diseases. Do you know that at this very moment a new disease is developing amongst women who are taking the pill without adequate supervision. Do you know that in the case of young girls whose menstruation cycle has not yet stabilized and who take the pill there is every probability that in hundreds of thousands of cases in the Netherlands and perhaps millions in Europe as small tumour is developing in the pituitary gland causing a disease between diabetes mellitus and the thyroid disease which is so frequent in young women who are taking the pill that is becoming an international and certainly also a European problem.

This is what we could do something about.

I must say to you that I consider it high time to say to all the friendly people here who are all so polite to each other all the time ; you are simply behind the times ! I find this programme pathetic.

**President.** — I call Mr Brunner.

**Mr Brunner, Member of the Commission.** — (D) Mr President, it has just been said that events have overtaken us. However we are not too far behind. This is the second medical research programme to be put before you this year. Some of the ideas on which it is based originated in this Parliament. We have chosen as the five areas of emphasis, health problems which are the product of our civilization. We want to tackle the terribly high rate of suicide amongst young people and determine what are the causes. We want to deal with thrombosis. Early detection of this can be very useful. We all know the disastrous consequences. We want to look at the increase in impaired hearing. This has also become to an increasing extent an illness of civilization. Mankind is increasingly exposed to intolerable noise. We want to tackle the perinatal problems which are so harmful and, finally, a problem which is possibly of interest because it calls for a different structural approach.

We have a highly decentralized system of electrocardiogram evaluation. 50 million electro-cardiograms a year are produced in the Community; the error rate is 20 to 50 %. Is this not a situation where one might ask whether centralized computer evaluation is possibly not a better method? Can the error rate not be reduced in this way? The possibilities are there. We will accept any new ideas from you. We want to examine a further eleven topics and we will report to you in due course. We shall be talking about this again. We have found one new area: we want to concentrate on that and maintain cooperation in this sphere.

I should like to express our thanks to Mr Ney. We must also ask for the wishes of your Committee on Budgets to be fully taken into account. I repeat again here what I said before when discussing reactor safety: when we give figures in these programmes they are intended as a guide. In no way does this indication of a figure infringe on the budgetary powers of Parliament.

I believe we have again broken new ground here. It is worthwhile continuing along this path. We ask for your assistance.

**President.** — I call Mr Lamberts.

**Mr Lamberts.** — (NL) Mr President, it is a bit pointless to say that I hope Mr Brunner does not consult a doctor who takes so long to examine him that he passes away first. I hope that, if he falls ill, he will find a doctor who does something to cure him rather than examining him *ad infinitum*.

(Laughter)

**President.** — I call Mr Brunner.

**Mr Brunner, Member of the Commission.** — (D) If I might give a brief reply at this late hour: it is often preferable not to undergo an examination because that is the safest way of staying healthy. But of course I am only joking.

(Laughter)

**President.** — No one else wishes to speak?

The motion for a resolution, together with the amendments which have been tabled, will be put to the vote tomorrow during voting time.

The debate is closed.

### 13. Directive on the protection of groundwater

**President.** — The next item is the report (Doc. 403/78) by Mrs Squarcialupi on behalf of the Environment, Public Health and Consumer Protection on the protection of groundwater against pollution caused by certain dangerous substances.

I call Mrs Squarcialupi.

**Mrs Squarcialupi, rapporteur.** — (I) Mr President and Mr Commissioner, I regret that the history of this directive prevented us from preparing a written report; otherwise, instead of speaking about it, I should have described what the directive was intended to say in the document before you.

This directive on the protection of groundwater against pollution caused by certain dangerous substances has now been not merely amended but completely changed to take account of the strong desire expressed by our people to live in surroundings unspoiled by the ravages of uncontrolled production which, in our view, need not involve destroying or spoiling the environment. The points where the directive has been completely changed are the following: to begin with, the wording of Article 1, which would now read: 'The Member States shall take all possible measures to ensure that the discharge into groundwater of the substances on Lists I and II is prohibited or strictly limited.' This means that the substances in List I cannot be directly or indirectly discharged into the underlying aquifers except in very rare circumstances, that is to say, only in cases where their discharge does not harm the quality of other water resources or hinder the exploitation of natural resources. Another new and strict injunction is that in Article 3a which was tabled by our Christian-Democratic colleague Jahn; it reads: 'The Member States shall prohibit all direct and indirect discharge of the substances on Lists I and II in areas where the groundwater is at present used or will be used in future as drinking water'. This represents a genuine planning of water resources which must underpin the future European ecosystem and will ensure that

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economic development will include the restoration and preservation of the quality of the environment as well as the protection of the health and safety of the population. We must, accordingly, plan for growth and production in the interests of our people and ensure that these developments are consistent with the growing need to protect the environment. Our objective must be to ensure that production does not involve pollution. So that we can maintain a proper natural balance, avoid any exploitation of natural resources which changes the ecological balance and keep economic development constant with the need to preserve the quality of life.

To return to the main points of the amended directive. First of all there is the principle of protecting present and future sources of supply, accompanied by specific instructions for discharge permits which are particularly strict in the case of karst soil, the distribution of which is so widespread in our Community, and by a provision for publishing information on the type, quantity and density of these substances and about the points where they are discharged. In other words, nothing should be kept from the public which affects its health. Special attention has been paid to methods of improving groundwater, by what is called replenishment, for supply purposes in order to avoid the heavy losses of water supplies which would otherwise occur.

Another principle enshrined in the directive and which is one of its main themes lays down that the natural properties of groundwater must on no account be changed. This is a principle advocated by the World Health Organization and which we ourselves adopted in order to ensure that the water remains in its natural state. The objective, therefore is not just to have no pollution but to safeguard the original properties of the water.

The remaining changes in the directive are in the annexes, where substances which we judged to be specially harmful have been transferred from List II, the so-called 'grey list', to List I. There was a time when we could afford to ignore these substances but now we have to keep a very close eye on them.

The proposal for a directive was unanimously approved by the Committee on the Environment. This unanimity shows that the Parliamentary Committee for the Environment and also the European Commission, which has already indicated its formal approval of the amendments, do not underestimate the effect, part cultural, part psychological, which a firm attitude regarding the environment can have, especially among the younger generations who are the future victims of unemployment. These younger generations are well aware that employment policies have in the past exposed the environment to harm. The figure of 6 million unemployed and the present state of our environment show that the poli-

cies we have hitherto adopted, including those affecting the environment, were not the best ones and must be changed. They show that we must stop imagining that anti-pollution measures can be financed solely out of the profits of economic growth and that, when these are not forthcoming, those measures have to be dropped. We must also give up the idea that any purifying or de-polluting process or clean manufacturing operation is bad for employment. We have tried to emphasize this in our motion for a resolution.

As regards the one amendment to it which has been tabled, I was personally of the opinion that it was better to give quantitative information about the water used by Europeans, especially as this information was the outcome of a comprehensive investigation by the Commission but I know Mr Noè and how wise and knowledgeable he is, so out of respect for him, I accept the amendment.

I should like to conclude with a word or two to the Council of Ministers. In a few days, the Council will be considering this directive which, as I have explained, is completely changed. The Council can do one of three things. It can adopt it as it stands on the ground that, however indirectly, it represents what the public wants; it can make alterations in it; or it can pigeon-hole it. I very much hope that when the representatives of the nine Member States go into this question, the question of groundwater and ecological issues in general, they will have regard not to individual interests but to the interests of the population as a whole.

I should also like to remind the Council of Ministers of the growing insistence of our peoples on living in unpolluted surroundings and conserving natural resources. I ask the Council to bear in mind its heavy responsibility towards future generations and the need for a drastic change of outlook on the subject of the environment. Tomorrow, we shall be discussing all the directives which still lie unanswered on the Council's table but the change of attitude which I am calling for ought not to occur because the elections are drawing near and the electors will have a chance to speak their minds but because everyone is prepared to discharge this responsibilities. The Parliamentary Committee has discharged its own; I trust the Commission will do likewise and that the Council of Ministers will follow suit.

**President.** — I call Mr Noè to speak on behalf of the Christian-Democratic Group (EPP).

**Mr Noè.** — (*I*) Mr President, at this late hour I must be brief. The Christian-Democratic Group endorses the Commission's proposal and the report just given us by Mrs Squarcialupi, because they introduce something constructive into the situation on groundwater.

## Noè

Generally speaking, however, we should like to see something more. The reason for this is that, in committee, I proposed an amendment (which its rapporteur has accepted) stating that groundwater and surface water should be dealt with together. This is absolutely basic. It is said there in the motion but rather theoretically. What I mean is that until (and it will be a long time yet, Mr President), we arrange for the same people to be responsible for both types of water, we shall fall short of our aim. As an illustration of this, we had a discussion in committee about the substance in List I and those in List II and we reached a compromise which I regard as a reasonable one, which is that the former are forbidden while the latter may be discharged into the subsoil *only on certain conditions*, when the hydrogeological situation reasonably so allows. On the other hand, if we do not at the same time pay attention to the surface water (and substances in List I could, tomorrow, very easily get into surface water, then into the Saturation zone and eventually right down into the groundwater), this may obviously make all our arguments about substances in List I and List II a waste of time for all practical purposes. So there must be a comprehensive approach because surface water and groundwater form a whole and cannot be treated separately. And this means having organizations in all the Member States (because not all possess them) which can monitor, study and regulate both types of water.

With this qualification, therefore, we believe this is a valuable provision, though not nearly enough.

There was a symposium in Berlin just recently on environmental problems. Unfortunately, I could not attend because of other commitments but among the subjects on the agenda was the question how best to define the scope of those problems and the scope was that of the catchment area; and, in that area, all water, both on the surface and in the subsoil, must receive the same attention. Again (and I am referring here to Mrs Squarzialupi's statement just now) important as it is to maintain the quality of the water, attention must also be paid to *quantity* because there comes a time when, if too much water sinks through to the subsoil, there is none left on the surface. As you will appreciate, there is a close connection between questions of quantity and of quality, that is, if we are thinking in terms of man and his need for water — and water of good quality. So, as I was saying, one topic in this symposium in Berlin was the dimension of the problems and this dimension must be pushed further afield; we must discover within what dimension we should really be working in, I repeat, in carrying out research, considering the answers and exercising control.

Another subject of this symposium in Berlin was the dynamics of these ecological problems and this is why I took the liberty of tabling an amendment to para-

graph 1 of once motion. I must say at once that this is not a question of a slight change of wording but a question of principle. As I said in committee, I did not agree for a moment that, as was said earlier, 70 % of consumption came from groundwater. When we refer to 'consumption' we must adopt some unit of measurement; for example, cubic metres per second. Now, there can be no doubt that most water used by man for irrigational and industrial purposes, and for hydro-electric purposes and human consumption as well, is obtained from the sources on the surface. If we add them up, there can be no doubt that the figures are of this order in each and every region of the Community. Later, 'consumption' was changed to 'availability' but I want you to note this. It is difficult to compare them (apart from the fact that they are not in any way comparable and I say this very deliberately, having talked about it with Professor Citrini of the *Politecnico* of Milan, to set my mind at rest), but there can be no doubt about it: by far the largest proportion of water consumed comes from the surface and this also applies to the supplies available, but they are two different things. Surface water moves at a speed of a few decimetres or, sometimes, a few metres a second. For example, a river flows very commonly at a speed of half a metre or a metre per second. Apart from groundwater in karst zones, which is comparatively rare, groundwater, that is to say, water which seeps through aquifers composed of sand and gravel, travels at a rate of a few decimetres an hour. In other words, the ratio between the rate of flow of groundwater and that of surface water is roughly 1 in 5 000. So what happens in an area, as it did in my own city of Milan, where indiscriminate pumping has been going on since the beginning of the century precisely because those who looked after the surface water were not the same people as those responsible for groundwater? Everybody was drawing groundwater and what is the result? The result is that we are having the source lowered, we are taking away a reservoir and withdrawing milliards of cubic metres and the question no longer arises; it takes a very long time to get the water sinking so slowly again and conditions back to what they were before. So there are two courses of action and I would say that the one involving groundwater is the more difficult because it is not easy to return to previous conditions. In the case of surface water, there are periods of drought, as at the moment, periods of exceptional drought in which some rivers are really at their lowest level. But a few days' rain immediately fills the riverbed up again because the water flows so much faster.

So, to conclude, we are glad that some progress is being made and I say this for the particular benefit of Vice-President Natali and his staff, but Parliament will go on pressing for a really comprehensive approach to all these questions. I am, in fact, preparing a report for the Parliamentary Committee on the Environment and using this as its title, a title which has been to some extent taken from the recent Berlin symposium,

Noè

which, unfortunately, I could not attend, dealing with the question of the best dimensions and structures. However, when we talk of groundwater from these two points of view, I hope that the time will soon come when surface water and groundwater are dealt with at one and the same time because it is surface water which supplies groundwater, feeds it and keeps it available for man.

**President.** — I call Mr Granet to speak on behalf of the Liberal and Democratic Group.

**Mr Granet.** — (*F*) Mr President, I should like to congratulate the Commission on the action it has taken on the important subject of the environment.

It is of course unnecessary to mention the vital importance of water, though it is sometimes overlooked. We must not forget that, although we are comparatively rich in supplies, we are also, in certain conditions, liable to suffer shortages. So a reminder of the importance of water, surface water as well as groundwater, was timely. And this reminder naturally raises the question of pollution because some of our supplies are more and more exposed to pollution in one form or another.

The spread of pollution may produce a situation which will eventually become intolerable. The best policy is not, of course, to wage war against nuisances but to try and prevent them arising and that applies particularly in the case of groundwater. That is why this debate and this report come at the right time. However, there is often a conflict of interest between policy on the environment and policy on industry and this made it absolutely vital for them to be considered together at European level.

For it is time (and it is no good pretending otherwise) that when, in our own countries, we want to strengthen the law against pollution and prevent the nuisances arising, the very firm objection advanced by the spokesmen of industry is that we are distorting the conditions of competition with the industries of other countries because their laws are not so strict or because we are imposing extra costs.

I well remember that when, in France, I secured legislation strengthening the law on unhygienic, unsuitable and dangerous premises, the whole industrial world protested against the law with the argument, recalled by Mrs Squarcialupi, that it could increase unemployment and cut down export potential.

This makes it very much a Community matter and is another substantial reason why we must thank the Commission and the rapporteur for their initiative and work. The essential thing is to prepare scientific programmes at European level which will identify the effects of pollution from whatever source and then

try to deal with them by legislation in the shape, obviously, of legislative provisions which would be more or less the same in all the countries of the European Community.

In conclusion, and in the light of what I have said, I should like, on behalf of the Liberal Group, to commend the work of the rapporteur in submitting the Commission's proposal to scrutiny at such an opportune moment. She allowed us to suggest clarification of the proposal at some points and we trust that it will be revised accordingly.

These clarifications will enable the policy for the protection of water to achieve one of its major objectives and I believe that, in accordance with that objective, it will become possible in future to re-use groundwater at any time. This does not, of course, mean that other problems, unknown to us today, will not arise and require the proposal to be further amended.

In common with the Christian-Democratic Group, I believe, for instance, that the problems of groundwater and surface water must be taken together: this would be the wish, in some of the Community countries, of the water zone authorities who are in charge of all water in their area, whether it is in the subsoil or on the surface.

But sufficient unto the day; other problems remain before us in following this difficult but essential course of action. We believe that, thanks to this report and this proposal for a directive, we are now taking a step forward. It will not be the last but, on behalf of the Liberal and Democratic Group, I want to emphasize its value and importance.

**President.** — I call Mr Jahn.

**Mr Jahn.** — (*D*) Mr President, ladies and gentlemen, the focal point of our efforts to maintain the purity of water in general, and groundwater in particular, must be the creation of conditions for the production of clean drinking water. This is a vital necessity. Of all the forms of water, groundwater is of course particularly suitable as drinking water. Purely from the point of view of obtaining supplies of drinking water, therefore, we must endeavour to obtain groundwater which satisfies our requirements both in quality and quantity. It is therefore a question of taking effective measures against the pollution of groundwater by poisonous substances. In our opinion the Commission's proposal for a directive in its original form is inadequate for this purpose. The Committee on the Environment at my request has therefore added a new Article 3 (a) to the proposals for a directive:

The Member States shall prohibit all direct and indirect discharge of the substances on Lists I and II in areas where the groundwater is at present used, or will be used in future, as drinking water.

## Jahn

Our idea here is that the purpose of the directive, which is to prevent, limit or stop pollution of groundwater, is particularly important for the protected groundwater areas of waterworks. Pollution of groundwater by dangerous substances is practically irreversible and can have grave consequences for the preparation of drinking water. In the areas in which groundwater is used for the production of drinking water, any discharge of the substances on Lists I and II must therefore be prohibited.

Certain methods used to obtain adequate supplies of drinking water, must not count as a discharge in the sense used in the directive. This applies in particular to the Rhine below the entry of the Main, and in the industrial area of Rhineland-Westphalia. As the present chairman of the parliamentary commission on the protection of the Rhine, I place particular value on special measures being applied when, after the available groundwater has been largely exhausted, the use of Rhine water as a bank filtrate or as artificially purified groundwater is to a great extent inevitable. About 15 million people obtain their water supplies from the Rhine. Therefore, for many waterworks in the Rhine catchment area, the passage of surface water through the ground, for example, filtration through the banks and dune infiltration, is one of the important stages in the production of drinking water. This process involves closed artificial water cycles in which, over a long period, the same quantities of water and substances contained therein are extracted as are artificially introduced.

In the case of bank filtration the surface water passes through the strata of the banks as a result of the hydraulic head produced by pumping water from wells in the vicinity of the bank. In this flow path use is made of the same natural self-purification processes in the subsoil as those which give groundwater its usually good quality. Artificial purification of groundwater is achieved by introducing surface water into the subsoil via pits, basins, overflow meadows or sink-holes one is not restricted to the type of soil which exists in the area of the bank and other, more suitable soils can be utilized.

In this process the pollution of the groundwater is not increased, so that there is no question of this being a discharge in the sense used in the directive. Infiltration of surface water for subsequent extraction as drinking water should therefore be considered as a beneficial measure and not a process leading to pollution of groundwater.

I should like to refer finally to one other point, because at the moment we are dealing in the committee with carcinogenic substances.

I should like to make one clarification with regard to the pollutant substances in List I in the appendix. I would have preferred it if Item 4 of this List, which refers to 'substances which possess carcinogenic prop-

erties in or via the aquatic environment', were to be clarified by the following amendment 'substances which *probably or demonstrably* possess carcinogenic properties in or via the aquatic environment'.

In my view that does not constitute a limitation. On the contrary, I would like to ensure thereby that substances which are suspected of being carcinogenic are also excluded from introduction into our groundwater. The wording proposed by the Commission could be interpreted to mean that the carcinogenic effect of a substance first has to be *demonstrated* before its discharge is forbidden, but this is not what we want. I should therefore like to ask the Commission to make their views clear on this and tell us what they mean by the words 'possess carcinogenic properties'. In any case I am anxious to prevent substances which are suspected of having carcinogenic properties from being discharged into groundwater. We know from the hearing on environmental carcinogens that the carcinogenic effect of a given substance cannot be demonstrated with absolute certainty.

I should like finally to thank the rapporteur, Mrs Squarcialupi, for her excellent and practical report, and to thank you for your attention despite the late hour.

**President.** — I call Mr Lamberts.

**Mr Lamberts.** — (NL) Mr President, on this point I feel very well disposed. First of all towards the Commission. I am grateful that it has put forward this proposal but I am even more grateful to Mrs Squarcialupi since despite the many meetings we have had on this matter, where discussion sometimes became quite heated, she has been able to put together such an intelligent and relevant report.

I am also thankful to Mr Jahn for submitting amendments which, one could almost say, apply to the Netherlands too. If he had not been so quick, we would have had to submit such amendments for the Netherlands since there is indeed large-scale mixing, as Mr Noë has also said, of groundwater and surface water. You know, since Mr Jahn has already said so, that we in the Netherlands are fighting on two fronts, groundwater and surface water. We filter the surface water from the Rhine through the dunes, etc., and hope that carcinogenic and other substances will thus be removed.

Mr President, you know perhaps that the criterion taken for the drinking quality of water is the reaction of a rainbow trout. If the rainbow trout does not like the water then the water is not fit for human beings either. A rainbow trout cannot live properly in the drinking water piped through to the people of Amsterdam. The drinking water for Rotterdam and The Hague does not come from the Rhine but from the Maas and we heard only last week that in Liège there is a factory which simply discharges cadmium into this river, one of the substances on the black list.

## Lamberts

We are therefore forced to drink a highly toxic substance in Rotterdam, and this should of course be prohibited. The important thing about this report is that everything is put so clearly and I consider that the Commission must formulate directives designed to put an end to the poisoning by European industries, mainly via the Rhine, of Europeans — one could almost say, that luckily the Germans are also involved since that means we do not stand alone — so that we no longer have to sacrifice years of our lives through drinking poisoned water. I therefore hope that the Commission will now take action and will not simply be content with theories and fine words.

**President.** — I call Mr Natali.

**Mr Natali, Vice-President of the Commission.** — (I) Mr President, may I first of all congratulate the rapporteur, Mrs Squarcialupi, for the admirable report which she submitted on behalf of the Committee on the Environment, Public Health and Consumer Protection? I can assure her that the departments of the Commission, which have been in frequent contact with her in recent months and with scientific authorities, in connection with the report, will try to ensure that, as provided under Article 149 of the Treaty, the Commission adopts the amended proposals and forwards them to the Council without delay.

I should like to comment on one or two points raised on the document.

Present-day knowledge of the hydrogeological characteristics and processes of the subsoil is poor or non-existent.

It is an area where the physical and chemical reactions of the subsoil and its strata can vary from place to place, from one aquifer to another and even from one point to another in the same aquifer.

Any legislative measure for the protection of groundwater and the surrounding aquifers must accordingly, allow for the infinite variations in those surroundings in order to avoid making the measure so inflexible that it is impossible to apply. It should be borne in mind that the proposal for a directive before you represents the application to groundwater of the provisions contained in Article 4 of Directive 76/464/EEC (a directive on pollution caused by certain dangerous substances discharged into the aquatic environment of the Community) and as such it deals only with the protection of groundwater from discharges of the substances set out in Lists I and II of that directive. It is not, therefore, intended as legislation for the general protection of groundwater against the effects of each and every act of man which can cause pollution. The Commission has a number of proposals under consideration with that particular end in view but, although I should have liked to give you more detailed information about them, there is now no time.

This is not the place to go into the technicalities of the proposed directive or into detailed machinery of the arrangements for prohibiting or authorizing discharges. Nevertheless I should like to emphasize that, in its original proposal, the Commission was, as regards discharges of the most dangerous substances (those in List I), pursuing the same aim as that expressed in the report, which is to provide absolute protection against all risk of pollution from those substances. The difference between the provision made in the Commission's proposal and the version now proposed by the Committee on the Environment, Public Health and Consumer Protection is that the former envisaged the possibility that the soil might serve as a filter and purifying agent for discharges, whereas the opinion expressed in the report favours the adoption of more stringent measures which disregard the purifying capacity of the soil.

The Commission is, I repeat, prepared to fall in with this point of view but must expect serious objections from some Member States during the discussion at the Council of Ministers.

Similar difficulties are likely to arise over the extension of the number of the most dangerous substances set out in List I. The Commission is aware of these difficulties because they became evident during the preparatory work on the proposal for a directive and in the discussions with the national experts.

The view expressed about the desirability of monitoring and regulating the waters on a comprehensive basis is undoubtedly correct. The Commission fully shares this point of view and this is evidenced by the Directive of 4 May 1976, from which the proposed directive originated. It is, in fact, anxious to bring in regulations governing discharges of dangerous substances into surface water and groundwater anywhere in the Community.

On the other hand, it is conscious that a sensible policy of water management can be applied only if the aquatic ecosystem is treated as a comprehensive whole and regard is paid to the requirements both of the basin and of the various consumers drawing on it. All I can do at this stage is to give an assurance that the Commission will do everything in its power to interest the various competent authorities in this method of management. I should also like to assure you, Mr President, that the Commission has, for over a year and a half, been studying the pollution problems caused by the use of fertilizers and fungicides in agriculture and that it hopes to publish the results of its studies in the near future. It realizes that agricultural activities are a source of danger to water in general and groundwater in particular.

However, the problem calls for a careful appraisal of all the courses of action available to eliminate the

**Natali**

disadvantages of using such products, sometimes without an overwhelming need to do so, and to eliminate them without interfering with the normal performance of an activity which supplies man's basic needs.

Finally, I should like to assure Parliament that I shall pay particular attention to paragraph 13 of the motion for a resolution.

I shall prepare a paper on the lines indicated as soon as possible and I am convinced that we shall reach an important measure of agreement on the argument advanced by Mrs Squarcialupi for the Committee on the Environment.

**President.** — I note that no one else wishes to speak.

The motion for a resolution together with the amendment that has been tabled will be put to the vote tomorrow during voting time.

The debate is closed.

#### 14. *Decision on research and development in the environmental field*

**President.** — The next item is the report (Doc. 409/78) by Mrs Cassanmagnago Cerretti on behalf of the Committee on the Environment, Public Health and Consumer Protection on the

proposal from the Commission to the Council for a decision reviewing the second multiannual research and development programme for the European Economic Community in the environmental field (indirect action) adopted by Decision 76/311/EEC.

I call Mrs Cassanmagnago Cerretti.

**Mrs Cassanmagnago Cerretti.** — (I) Mr President, the second multiannual research and development programme in the environmental field (indirect action) for the period 1976-1980 was approved by the Council of Ministers on 15 March 1976. It covers four main areas :

- (a) research aimed at the establishment of criteria (exposure/effect ratios) for heavy metals, organic micropollutants, fibrous material, new chemicals, air and water pollution, waste heat and noise ;
- (b) research and development on environmental information management (extension of the ECDIN project and evaluation of the results) ;
- (c) research and development on the reduction and prevention of pollution and nuisances (including the application of 'clean' technologies) ;
- (d) research and development related to the protection of the natural environment.

The second research programme was divided into two phases. The first phase provided information on the

parts of the programme that required revision for the second phase.

The proposal is primarily concerned with the expansion of activities relating to organic micropollutants in water, the introduction of a notification procedure for new chemicals, the control of intermediary products forming during the manufacturing process, research into asbestos, the implementation of research projects on marine pollution, the development of 'clean' technologies to combat water pollution, the study of ecosystems and biogeochemical cycles. 65 to 70 % of all appropriations is to be earmarked for these areas. The revision of this research programme will raise Community appropriations from 16 million EUA to 20.8 million EUA.

The programme is being implemented in the form of Community actions partly financed from the Community's budget in the case of contracts and with national funds in the case of concerted actions. Coordination costs are, however, charged to the Community budget.

It should also be pointed out that the Advisory Committee on Programme Management for Environmental Research has delivered a unanimously favourable opinion on this proposal.

The Council's decision of 15 March 1976 adopting the second research programme contained, in Article 4, the provision that the programme might, on a proposal from the Commission, be reviewed to adapt it to developments in research requirements and to the needs of the new environmental programme. This review was to be prepared in 1977.

The Council's decision was taken on 15 March 1976 and, owing to the resultant delay in the research programme, the timetable laid down has been somewhat delayed.

Furthermore, it is somewhat disappointing that many sound proposals for the implementation of the second research programme received in reply to the call for tenders published by the Commission in the Official Journal on 3 April 1976 had to be rejected or reduced by the Commission because of the limited funds made available. Only about 13 % of the funds requested could be granted. Naturally, the selection procedure took a great deal of time.

It should also be remembered that, according to information provided by the Commission, the continuity of this research programme will be seriously threatened if the Council is unable to take a decision in good time on the review of the research programme, which has been considerably reduced in comparison with what is feasible and which the committee can only regard as a minimum programme.

The committee therefore urges that the environmental action programme be continued at its present level. If



**Cassanmagnago Ceretti**

the complicated problems facing each Member State, either as a result of similar situations or of transfrontier consequences, are to be solved, very specialized research will be required, and solutions are most likely to be found if the research is carried on in institutes throughout the Community in close cooperation with each other.

In this context the question arises as to the extent to which the emphasis in environmental management can be shifted from checking and reducing pollution to preventing it. In other words, what progress has been made in the development of non-polluting technologies? The committee would like to see an account of the results achieved in the second environmental report.

As stated above, the environment action programme can be implemented only if it is based on sound research. The Commission is having this research carried out in the form of direct and indirect action. These actions carried out at various levels should complement each other very effectively.

In the opinion of the Committee on Budgets, the review of this research programme involves a major change in the decision-making procedure. It disagrees with the review proposal and requests its withdrawal.

The Committee on the Environment, Public Health and Consumer Protection cannot possibly endorse this point of view. It believes that provisions such as those contained in Article 2 can be retained as they stand in specific Council decisions on condition that prior allowance has been made for their financial implications in the general budget of the European Communities. This will permit both more effective assessment, in the light of budgetary policy, of reviews of research programmes, such as the one at present under consideration, and the full exercise of the European Parliament's budgetary powers. The necessary staff and payment and commitment appropriations have already been included in full in the 1979 draft budget. Provision has partly been made for these appropriations in item 3354, 'Environment', and in Chapter 100.

In view of the fact that the financial implications of the present proposal have, in minimal terms, already been allowed for in the draft budget and that a decision must be taken without delay in order not to disrupt the continuity of research activities, which have already been reduced to a minimum, the committee, subject to the above reservations and in contrast with the Committee on Budgets, considers it to be its duty to appeal for Parliament's full approval of the proposal.

At this juncture and to avoid going over the same ground again, I must comment on the Squarcialupi and the Lange amendments.

As regards Mrs Squarcialupi's amendment, which has already been discussed by the Committee for the Environment, I must point out that it widens the subject-matter for consideration and gives the Council a positive role and, because of this, I accept her proposal.

Mr Lange's amendment seems to be concerned with giving the wording an obligatory effect, in reference, obviously, to the budget, and for this reason I am willing to accept his amendment as well.

**President.** — I call Mr Lange to present the opinion of the Committee on Budgets.

**Mr Lange, draftsman of opinion.** — (D) Now that Mrs Cassanmagnago Ceretti has said that she accepts the two amendments which I have tabled on behalf of the Committee on Budgets, I can save myself any further explanations in this connection as these would take some time. Nor need I explain why we have reached the conclusion indicated in the letter. This point is therefore settled and the dispute which originally existed between the Commission and Parliament has now been cleared up.

**President.** — I call Mr Lamberts to present the opinion of the Committee on Energy and Research.

**Mr Lamberts, draftsman of the opinion.** — (NL) Mr President, we live in a rapidly changing world, where the scientific paradigms change from day to day. The fact that this occurs every day induces a kind of acceptance, so much so that a simple member of the European Parliament runs the risk of dozing off. We tend to overlook the extent to which our Community is being distorted by human manipulation and to which our care for present-day man, and even more for coming generations, is becoming more difficult. Of course we are aware of the considerable drop in the mortality rate between 1900 and 1960. But since the beginning of the 1960s the influence of modern medical technologies and of modern medicines on our western world has started to fade. Since 1960 we have returned to a slow increase in the mortality rate, a very small increase but this does mean that the drop in mortality has not been maintained. The figures for illness frequency and the number of reported illnesses and absence from work through illness have even increased during the last 15 years by 100 %. Not only are physical illnesses on the increase again despite improvements in medical knowledge and ability; mental illness and anxieties are also at present getting out of hand.

There are several causal factors, in fact too many to list here. What is important to us this evening is simply the changing environmental factors. It is

## Lamberts

certain that the chemical and physical pollution of our environment is playing a major role in the increasing death rate from heart and vascular diseases, and the increase in illness and death caused by the hundred or so various kinds of cancer. We inflict at least 50 %, and perhaps a much greater percentage, of this on ourselves in our efforts to obtain greater prosperity. In a number of European countries we had achieved a high average life expectancy for men and women. For men it is approximately 71 and for women the average is as much as 75 to 76 years. In comparison with 1900 this represents an increase of 25 % and it is understandable that we have become reckless.

Although we can certainly be proud of these results due mainly to social progress but also to improvements in medical technology, we give too little thought to the fact that there progression has already been at a standstill for 15 years and there have even been signs of a new rise in illness and mortality figures.

At the same time the present-day medical expert believes that we should be able to add at least 10 years of good health to our lives and that average expectancy in 1980 should be a good 80 years. This is in no more than two years' time. The average physiological death could be put off even longer if there was not an increasing number of factors in our environment which stand in the way. We are together too self-seeking in our efforts for growth in our gross national product and for material prosperity through which we cause damage to our health. We cause this damage to our health ourselves as individuals' but also jointly by poisoning our environment and this is the reason why the mortality rate has begun to rise again. Mr President, the scientific programme we have to discuss today is a reflection of this fact. We are closing our eyes and letting ourselves be overtaken by events in the hope that everything will be all right. We well-off people here in this chamber, although there are only a few of us left, cannot even spare a thought for our immediate fellow human beings outside. Naturally the fine words from freely here when we talk about human rights in the Third World. None of the political parties represented can wait to utter fine phrases, and symbolic speeches — and we sometimes even shed a symbolic tear — but in fact we do not do very much for the Third World. The sacrifice we make on the altar of our compassion is often a minimum percentage of our gross national income and is more semblance than sanctity, not to say hypocrisy. But, Mr President, are the Members of Parliament in our EEC aware of how we violate human rights in our own European Community. The Commission knows full well that recent demographic statistics have shown that male manual workers live an average of 8 years less because of poor living and working environments and at the same fall ill much more frequently than we here in this chamber. In the case of female manual

workers in factories and elsewhere, and this is an even larger cause for concern, the difference is 50 % more, i.e. an average of 12 years. The life expectancy for these female manual workers is 12 years less than the average. And this is all unnecessary and unjust. So the time has come for us to look at these statistical facts properly to analyse them see what we can do.

In the course of this year I have twice tried to make Parliament aware of the two main reasons for this injustice. The first time was in my reply to Commissioner Vredeling early in March on psycho-social factors and the second time was on 7 July of this year on dangerous substances in our environment.

We should already be able to draft binding directives for the EEC which could remove a large part of the danger particularly for the socio-economically weaker categories of the population, but also for us all. One of the resources which we need for this is more and better orientated environment research. The brains Trust which the Congress of the United States of America has at its service, the OTA, (Office of Technology Assessment) has drawn up a list of priorities for general necessary scientific research. The remarkable thing is that the OTA has places its priorities primarily in health protection and environmental management. Of a list of 32 points the first is research into alternative energy sources. Then, however, the following five points are exclusively concerned with research into well-being. Point 1 is after all also concerned with well-being. Point 2 is health promotion and disease prevention, point 3 the regulation of technological innovation in respect of health, environment and security. These points are clearly different from those we have in the Community. There then follow food and drinking water and all kinds of points connected with trade and industry which our Community has provisionally taken as its aim but which have a much lower priority for the American Congress.

You could point to the dwindling dollar rate which is bringing the whole world into disorder at the present time although it now seems to be improving. I am however of the opinion that the American Congress nevertheless is on the right path in taking a scientific look at the relationship between well-being and welfare. The fact that on 1 May of this year the Toxic Substances Control Act (TSCA) became law will mean a considerable turnaround in the scientific research programme of the United States. From 1 May last it is up to industry itself to provide proof of the harmlessness of chemical substances. By saving money in this way the authorities can take up other projects which are orientated more towards prevention and health.

We in the EEC are still trying to catch up with events and have to pay from our own coffers for scientific research into the exposure effect. It is essential that we

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in the EEC should also undertake preventive research and that we should use our research to further positive health care.

Only then will we be able to remove the discrepancy in human rights which takes the form of sickness and death in our European Community.

On 7 July 1978 our Parliament affirmed unanimously at its meeting in Luxembourg that we would follow the American TSCA in order to avoid the major dangers which could arise from the EEC chemical industry.

We must now as a matter of urgency formulate new binding directives for the EEC with regard to the chemical industry and in particular with regard to the discharge of dangerous poisons into our environment. We were speaking about that just now in connection with the previous agenda item. Then our multiannual programme for research and development with respect to future environment could be adapted to this in the future, i. e. in 2 years' time.

Of course we shall have to accept today the proposal from the Commission to the Council for the second multi-annual programme, having regard to the report of the Committee on the Environment, Public Health and Consumer Protection, and having regard to the opinion of the Committee on Energy and Research. We wish the European Commission much happiness and success. But for the ensuing third multiannual programme our European Parliament and its appropriate committees spell out make strict demands.

Like Sicco Mansholt before the enlargement of the EEC, we should leave behind a testament for the new Parliament to be elected in 1979 setting out a clear line for future scientific research.

For this reason I draw attention in particular to paragraphs 3 and 4 of our motion for a resolution. I would also underline the importance of points 11 to 17 of the opinion of the Committee on Energy and Research, to be found on pages 15 and 16 of the report. Points 15, 16 and 17 are of particular importance for the future.

Mr President, I would like to finish by expressing my opinion that we shall have to make much more money available in the future for scientific research in this sector, and first and foremost for the prevention of illness and active health protection. These researches are becoming increasingly international in nature and should therefore be carried on and by the EEC. Mr President, I have now been a doctor for just forty years and one month. In the course of this time I have witnessed major shifts in preventive work, in health protection and in the risks we face. I am very worried about the prospects for our children and our children's children, and I expect the Commission to take effective action.

**President.** — I call Mr Jahn to speak on behalf of the Christian-Democratic Group (EPP).

**Mr Jahn.** — (D) Mr President, ladies and gentlemen, I should like to make a few comments on the excellent report by our colleague Mrs Cassanmagnago-Cerretti.

As you know, we are dealing here with a revision of the second multi-annual research and development programme on the environment adopted by the Council on 24 November 1976. The purpose of this revision is to adapt the second programme to the changes in research requirements and the needs of the Community's continuing action programme on the environment of 17 May 1977. As part of the revision of the second research programme, Community expenditure is to be raised from 16 million EUA to 20.8 million EUA. The programme will be carried out in the form of Community actions partly financed from the Community budget, and in the form of concentrated actions which — apart from the coordination costs which will be borne by the Community budget — are financed by individual Member States.

We welcome the proposed revision and the associated extension of the research actions which is undoubtedly necessary. We agree with the Committee on the Environment, Public Health and Consumer Protection that environmental research must be concentrated increasingly on the timely detection, effective control and — taking into account that the prevention of any type of pollution has priority — in particular on the avoidance of excessive nuisances. In our view, emphasis should here be placed on the development of non-polluting technologies, even though of course this cannot be achieved in the short-term.

In the first place we are concerned to see smooth and extensive implementation of the environment action programmes of 1973 and 1977. The scientific and technical support of qualified research workers is needed, for this.

We also place great value on effective coordination of research actions, to avoid duplication and waste of resources and to be able to achieve optimum results by involving the national specialist laboratories in the solution of problems of common interest.

We appeal to the Council to adopt soon the proposed decision to amend the second research programme in the environmental field, so that continuity of environmental research is ensured. The Christian-Democratic Group approves the motion for a resolution contained in Mrs Cassanmagnago-Cerretti's report.

**President.** — I call Mr Brunner.

**Mr Brunner, Member of the Commission.** — (D) Mr President, we have had useful suggestions from all those taking part in the debate. As you know this is a revision of a current programme. The rapporteur has placed particular emphasis on this. We are introducing a few new supplementary points of emphasis. They are based partly on the suggestion by Mr Lamberts, to whom I am grateful. We have already achieved some results with this programme. We have made some interesting findings, for instance that women and children are organically more exposed to the lead content in the air than men are. We have had carcinogenic chemicals investigated by 15 institutes. Finally we have looked at pollution of the air and have developed new instruments to measure it. I think we are working on something which is worthwhile. This is already evident from the size of the programme. The programme began very modestly and now amounts to 17 million EUA. I believe we should continue along this path. I readily accept Mr Lambert's suggestion that we undertake more research into the carbon dioxide content of the air. We shall do this.

The Committee on Budgets, through its chairman Mr Lange, has rightly referred to its special requirements. Here again we share your views. The figures which we have given are intended as a guide. In no way do they infringe on the budgetary powers of Parliament.

**President.** — I note that no one else wishes to speak. The motion for a resolution together with the amendments which have been tabled will be put to the vote tomorrow during voting time.

The debate is closed.

### *Agenda for next sitting*

**President.** — The next sitting will be held tomorrow, 15 November 1978, at 10 a.m. and 3.00 p.m., with the following agenda :

- Vote on a request for an early vote on mineral supplies
- Statement by the President-in-Office of the Foreign Ministers meeting in political cooperation (followed by debate)
- Questions with debate to the Commission and the Council on trade between the Community and Israel
- Questions with debate to the Commission and the Council on flight safety
- Question with debate to Council on the Council's work on the environment
- Power report on education in the Community (the questions to the Commission and to the Council on Community action on education will be included in the debate)
- Amadei interim Report on Community action in the cultural sector

3.00 p.m. : Question Time (Questions to the Council and Foreign Ministers)

The sitting is closed.

*(The sitting closed at 21.55 p. m.)*

*Questions which could not be answered during  
Question Time, with written answers*

*Question No 7 by Mr Müller-Hermann*

Subject: Restructuring of the man-made fibre industry

What decisions has the Commission reached with the governments of the Member States with regard to the restructuring of the man-made fibres industry?

*Answer*

The Commission has, for several months, been studying the difficult situation in the synthetic fibres industry. The Governments of the Member States, most notably the heads of the administrative departments responsible for industry in the Member States, have been kept informed of progress made in these studies and analyses.

On their side, the manufacturers, faced with the seriousness of the situation, have agreed on the necessity of undertaking a major restructuring of their sector, involving a reduction in capacity, in order to achieve a better balance between supply and demand.

In view of the seriousness of the crisis and the high degree of interpenetration of the market, they consider it impossible to solve this problem at the national level. They therefore concluded an agreement on the 20 June 1978 of which they afterwards notified the Commission.

The Commission recently discussed the problems of the synthetic fibres industry, in particular those relating to over capacity, and the need to overcome them.

The Commission reached the provisional conclusion that the cartel Agreement, which was notified to the Commission in June, was not as it stood compatible with the Treaty. It agreed that the possibility of modifications to it should be explored as quickly as possible.

The Commission has charged the Commissioners concerned urgently to work out the basis for further discussions with the industry.

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# SITTING OF WEDNESDAY, 15 NOVEMBER 1978

IN THE CHAIR: MR COLOMBO

*President*

*(The sitting was opened at 10.15 a.m.)*

**President.** — The sitting is open.

## 1. *Approval of minutes*

**President.** — The minutes of proceedings of yesterday's sitting have been distributed.

Are there any comments?

The minutes of proceedings are approved.

## 2. *Documents received*

**President.** — I have received:

- from the Council, the common position on the proposal from the Commission to the Council for a regulation on the application of the provisions of the Financial Protocols concluded with Greece, Turkey and Portugal (Doc. 447/78),

which has been referred to the Committee on Budgets as the committee responsible and to the Committee on External Economic Relations for an opinion:

- a report by Mr Pisani on behalf of the Committee on Economic and Monetary Affairs on the proposal from the Commission to the Council for a regulation establishing a European monetary system (Doc. 448/78).

## 3. *Decision on a request for an early vote*

**President.** — The first item is the vote on the request for an early vote, pursuant to Rule (47(5) of the Rules of Procedure, on the motion for a resolution on supplies of ore to the Community (Doc. 449/78).

I call Mr Ellis.

**Mr Ellis.** — Mr President, I would like on behalf of my group, to oppose the putting of this motion to the House, and I trust, if I do not speak on behalf of other groups, at least I speak with their agreement. We think that precisely because of the importance of the subject we should not be too precipitate in coming to a decision by vote today. There is no question whatsoever about the importance of the subject, and we therefore feel that we do need a certain amount of time to consider it carefully. Unfortunately, I was not present at the debate yesterday, but I understand that the figures — the cost figures and so on — given by Mr Porcu had a considerable divergence from the figures that conventional wisdom accepts in this field. We therefore feel that if we cannot be certain at least of the facts to start with, then it is impossible to make a really considered judgment. I therefore propose that we reject this appeal to have the vote taken.

**President.** — I call Mr Porcu.

**Mr Porcu.** — (F) Mr President, ladies and gentlemen, during the debate which was held yesterday on the oral question which I had the honour to present on



## Porcu

behalf of the Communist and Allies Group, the Commissioner took a thorough note of the arguments and figures which I put to him.

Without committing himself with regard to the accuracy of the figures — but I assure you once again that they are accurate — the Commissioner agreed that the European Community should undertake to give priority to the use of its own natural resources. And it is to this end that he promised that a debate would be held in January when all the documents would definitely be ready with, if I may put it like this, the Commission's seal of approval.

The motion for a resolution which is being tabled today with a request for an early vote does not ask for any note to be taken of the arguments I put forward yesterday, but seeks to raise the fundamental question, namely the need to use Community raw materials.

I therefore think that we ought to adopt this resolution since it would be a guiding element in the debates which are to take place in the Committee on Economic and Monetary Affairs and in the debates which we are due to hold in January. For this reason I urge the House to vote for an early vote.

**President.** — I put to the vote the request for an early vote. The request is rejected.

Pursuant to Rule 25 of the Rules of Procedure, the motion for a resolution is referred to the committee responsible, in this case the Committee on Economic and Monetary Affairs.

## 4. Agenda

**President.** — I have received from Mr Bertrand, on behalf of the Political Affairs Committee, a request that the Amadei interim report on the cultural sector (Doc. 325/78) be postponed to the December part-session.

I call Mr Bertrand.

**Mr Bertrand, chairman of the Political Affairs Committee.** — (NL) Mr President, I sent you this letter on my own behalf, since we have received a request from the Council of Europe for preliminary talks on possible cooperation in the field of cultural policy in the Community with a view to establishing some kind of coordination. The Council of Europe would find it regrettable if Parliament were to adopt a position now, before we have had these talks with the President and rapporteur of the Council of Europe. This is why I complied with the request by certain groups that I should ask for the postponement of the debate to the December part-session. I therefore request that this item be placed on the agenda for December.

**President.** — Since there are no objections, that is agreed.

Lord Kennet has requested that his oral question without debate to the Commission on tobacco consumption (Doc. 422/78), which is on the agenda for Friday, 17 November 1978, be postponed to the December part-session.

Since there are no objections, that is agreed.

## 5. Statement by the President-in-Office of the Foreign Ministers meeting in political cooperation (followed by debate)

**President.** — The next item is the statement, followed by a debate, by the President-in-Office of the Foreign Ministers meeting in political cooperation on external policy cooperation by the Nine.

I call Mr Genscher.

**Mr Genscher, President-in-Office of the Foreign Ministers.** — (D) Mr President, ladies and gentlemen, I should like to say how glad I am to have this opportunity of reporting to the European Parliament on the progress of European political cooperation over the last year.

Parliament is about to be transformed. Next year 180 million European voters are to elect their own Parliament. The people in our countries will thus be involved in the process of European union and will be aware of their own collective responsibility for its progress. For these reasons I already consider that our relations with Parliament in the field of political cooperation are of the utmost importance.

In the report which he presented to this House a year ago to the day in his capacity as President-in-Office of the Foreign Ministers meeting in political cooperation, Mr Simonet spoke of further progress in political cooperation.

This positive development has continued. A year is, however, a relatively short period in the ongoing process of European union.

My report therefore touches on problems which we have previously dealt with and which all of us will also have to work to solve in the future and as we know, possibly for some considerable time. In the speech I made when the Federal Republic of Germany took over the Presidency in the European Community, I spoke of Europe's growing involvement in a world of partnership in which the Nine, since the beginning of European political cooperation, have regularly opened up new areas in which to act jointly. In doing so they have participated in a policy of the fair balance of interest and international partnership.

## Genscher

In performing this task the Nine have grown in stature and they will continue to perform it in the future.

Since the last report presented to this House on the work of political cooperation, there have been many meetings between the Nine, which at all levels and at every suitable opportunity have harmonized their position on questions of external policy.

In doing so the Nine have taken every opportunity of extending their cooperation in terms of the subjects covered.

In the period covered by the Belgian Presidency in 1977, the Danish Presidency in the first half of 1978 and the Presidency of the Federal Republic of Germany since 1 July 1978, four official meetings of Ministers have taken place, as well as a number of other discussions on subjects connected with European political cooperation. The second official meeting under the German Presidency is due to take place in Bonn next week.

In Hesselet (Denmark) in May and in Gymnich at the end of October the Foreign Ministers met for their regular informal exchange of ideas to which they have been invited by each Presidency since 1974. These meetings, which began at the initiative of the then German Foreign Minister Walter Scheel, have become more and more successful.

The Political Committee has met every month, and its work has been prepared by its working parties in over 100 sittings.

Since November 1977 there have been three meetings of the European Council, which has also dealt regularly with important questions of external policy. After each of the four Ministers' meetings the current Presidency invited the Political Affairs Committee of this Parliament to a detailed colloquy which I am sure both sides found informative and satisfactory, on all questions of political cooperation.

In our answers to Parliamentary questions we have made every effort to provide comprehensive information, that is if the subject of the question had actually been dealt with in political cooperation meetings. Besides the meetings arranged as part of political cooperation, there have been many other opportunities at all levels for the Nine to meet and to extend existing cooperation. In this context I should first of all like to mention cooperation at the United Nations, which is the most important basis for our joint representation in this international body.

Mr President, the European Community is about to be enlarged from nine to twelve Member States. The negotiations with Greece on accession to the Treaty of Rome have progressed well, and we hope to conclude the main part of them before the end of this year.

Negotiations with Portugal were formally opened on 17 October this year. It is to be hoped that the Community will soon take a basic policy decision on Spain's application for membership; I would like this to be before the end of the year.

Political cooperation has taken account of this development in the question of the applicant countries. It is gearing itself to full participation by the applicant countries in political cooperation as soon as they become Member States of the Community. Since by its very nature political cooperation cannot be the subject of formal negotiations, the Nine have agreed in painstaking discussions on other informal methods of acquainting the new Member States with the common external policy of the Nine.

Greece and Portugal were accordingly given formal notification on 26 June and 17 October respectively of the existence of political cooperation. At the same time they were given basic documents relating to European political cooperation. In addition, in accordance with the agreed procedure, Greece has been kept constantly informed since September of the work carried out as part of European political cooperation and at the beginning of this month received all the important documents and other material resulting from it.

Political cooperation meetings have also dealt with questions concerning relations with Turkey, which after the enlargement of the Community will, as you know, be the only country to have an association agreement with the Community with the prospect of accession. As part of their political cooperation, the Nine also intend to take account of this fact. On 23 September they offered Turkey, through the Presidency special procedures of increased mutual information. This offer is still being examined by the Turkish Government. With regard to cooperation in the United Nations, I consider this particular part of cooperation to be especially important. European political cooperation in the United Nations has steadily improved and increased during the most recent General Assemblies. Our common position has been prepared by analyzing the results of each General Assembly and, since 1977, by advance planning for the next General Assembly.

The most important events this year with regard to the United Nations were:

— special session on disarmament from 24 May to 30 June 1978

— the conference against racism in Geneva from 14 to 25 August 1978

— the 33rd General Assembly, which was on 19 September 1978.

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Both at the beginning and at the end of the special session on disarmament, the Nine made joint statements expressing their conviction that alternatives to the international arms race can and must be found. This must go hand in hand with efforts to eliminate the causes of tension and injustice in the world. In its statement of 7 July in Bremen, the European Council made specific mention of the final document of the special session on disarmament and expressed the hope that this theoretical framework would provide the basis for practical progress at future negotiations.

Attention was also paid to what the Nine had to say at the 33rd General Assembly of the United Nations. At the very beginning of the session on 26 September, I had the honour, as President-in-Office of the Council, of presenting a comprehensive Community statement setting out the basic position of the Nine on important international questions. Both in their preparations for this session and during it, the Member States increased the coordination of their positions in all areas and strengthened their cooperation across the board in the search for universally acceptable solutions. In this context their special efforts are directed towards passing a joint policy resolution to reinforce UN peacekeeping measures and at international efforts for the protection of human rights. In a statement marking the 30th anniversary of the Universal Declaration of Human Rights on 10 December, they will put forward their position on human rights.

Political questions which may require coordination with the Nine are also dealt with in the special bodies of the United Nations. At the moment there is just such an instance in UNESCO, where the draft of a declaration on the mass media raises fundamental questions of the freedom of thought and expression.

On 30 October before the UNESCO General Conference, I stated our point of view on behalf of my country, namely that any draft which subjects the mass media to state supervision or seeks to establish state responsibility for them is unacceptable to us. As the country currently assuming the Presidency, we have therefore played a significant role in the drawing up by the Nine of certain amendments.

It is important to us that in a question of this kind, which touches on the fundamental values of our conception of liberty, the Nine should defend their convictions jointly. It is especially within the United Nations that the Nine are aware of the growing interdependence in today's world.

In my UNESCO speech I was able to draw attention to the basic commitment of the Nine to the principle of international partnership. The Europe of the Nine is not a merely inward-looking Community. It is the world's, and especially the Third World's largest trading partner and the largest donor of development aid.

We can see today that our example has helped the idea of regional groupings of countries with equal rights to gain ground all over the world. The Nine support this development. Their common stance before the United Nations helps to propagate this idea.

The Member States of the Community have always followed most closely and actively supported the struggle against racism and for human rights all over the world. They delivered joint statements at the International Day against Racial Discrimination on 21 March and at the opening of the United Nations World Conference Against Racial Discrimination on 15 August. On these occasions they unequivocally condemned all forms of racism and racial discrimination.

The Nine have also tried to exert their influence bilaterally in order to promote the cause of human rights. In joint representations to a number of governments they expressed their concern at the human rights situation in various countries.

My predecessor in office referred in the report presented a year ago to the increasing importance of Africa for cooperation between the Nine on external policy. This tendency has become even more marked. The Nine have followed events in Southern Africa in particular most closely and with great concern. What is happening there, and also in Zaire and in the Horn of Africa has constantly been at the centre of discussions at all levels of political cooperation.

On several occasions the Nine have jointly stated their position on the problems of Africa. In doing so they have always made it clear to all involved that they support peaceful solutions, i.e. solutions achieved through negotiation. They have repeatedly said that they are willing to help to bring about these solutions by means of increased economic aid.

With regard to the situation in Zaire, at the European Council in Bremen the Nine expressed their support for the humanitarian actions of certain Member States. They assured that country of their continued support, not least in the economic field.

The Nine continue to hope that for Zimbabwe it will prove possible, despite all the difficulties, to arrive at a peaceful solution with the participation of all the parties involved. They remain convinced that the British-American Rhodesia plan offers the most realistic chance of ensuring that country's peaceful transition to independence. To this end they make use of every opportunity to convince those directly and indirectly involved of the need for a speedy, mutually agreed solution to the conflict and to persuade them to take part in a multilateral conference.

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With regard to Namibia, the Nine have from the outset supported the initiative of the Western members of the Security Council for a peaceful transition. This position was unequivocally stated both at the meeting of the European Council in Bremen on 6 and 7 July and in a statement by the Foreign Ministers on 25 July. I also expressed this position of the Nine in a letter to the Secretary-General of the UN on the occasion of the Namibia conference in August. All these statements were based on the hope that the initiative of the Western Members of the Security Council would be successful. When these proposals were accepted by all the parties involved in July, there was every reason to be hopeful. We are therefore all the more shocked to hear of the South African Government's decision to hold elections in Namibia without the participation of the United Nations. The Nine supported the appeal by the United Nations Secretary-General for continued efforts to reach a peaceful solution to the Namibia conflict on the basis of the Waldheim report.

They have also made an urgent appeal to the South African Government to consider the wide-ranging consequences of a rejection of the West's Namibia plan. The Nine will therefore continue to bring their joint influence to bear in opening the way, even at this stage, to a peaceful transition in Namibia.

The Member States of the Community will not cease to urge South Africa to change its system of apartheid peacefully and rapidly. This system, like any other kind of racial discrimination, contradicts in all its aspects the basic convictions of Europeans. Only if South Africa guarantees human rights for all its citizens and enables them to live together as equals can the country look forward to a peaceful future.

The Nine are bringing all their influence to bear to bring about this change.

The code of conduct for firms with subsidiaries, branches or agencies in South Africa, which was adopted on 20 September last year, is an important step towards this goal. We must now wait for the first reports by the firms concerned on the progress made in the application of this code of conduct, which are due to be submitted and examined before the end of this year. The Nine will continue their efforts to persuade other countries to follow their example. For this purpose a meeting with representatives of the other OECD member countries has been called on 17 November in Bonn with a view to these countries' adopting the code of conduct.

With regard to the decision by the United Nations Security Council on an arms embargo on South Africa, the Member States of the Community have supported this decision from the outset and are strictly complying with it.

Over the past year, Mr President, the attention of the Nine, like that of the whole world, has also been fixed

on the Middle East. President Sadat's courageous initiative gave the Nine special grounds for hoping that the way was open for practical, peaceful solutions, and in their statement of 22 November last year they expressly welcomed his journey to Jerusalem and the resulting dialogue between Egypt and Israel. Similarly, they also paid tribute to the outcome of the Camp David Conference in a statement by the Foreign Ministers in September this year and congratulated those involved on the courage which had made this outcome possible. These joint statements reflect the continuing validity of the basic principles on which their attitude towards a peaceful solution of the Middle East conflict is based as laid down in the European Council statement of 29 June 1977.

The Member States of the Community have followed the situation in the Lebanon with great concern. As early as April this year the European Council expressed its deep concern at the tragic events in that country. In this statement the Nine stressed their support for the unity, sovereignty and territorial integrity of the Lebanon. Later, in their statement of 6 July, the Foreign Ministers of the Nine demanded the immediate cessation of hostilities and called on all parties involved to support President Sarkis. The Member States of the Community continued to be deeply concerned at the current situation, which threatens not only the existence of the Lebanon but also the stability of the whole region. They particularly emphasized this in their recent statement of 23 October. They appeal to all those with any influence on the events in the Lebanon to be mindful of their responsibility for peace and express the hope that all the parties involved will actively help to strengthen the authority of the Lebanese Government throughout the country as demanded in the UN Security Council resolutions on the Lebanon. Any party which breaks the cease-fire must be aware of its responsibility for the consequences before the eyes of the whole world.

With regard to the Euro-Arab dialogue, the third sitting of the General Committee in October last year gave grounds for optimism with regard to the future of the dialogue.

However, the Euro-Arab dialogue was affected by certain delays which were the result of developments in the internal relations between the Arab partners. Technical work is nevertheless being continued. Another meeting of the General Committee, planned for February this year, did not take place, and so hopes for the impetus needed to revive the dialogue came to nothing. Since then the Nine have repeatedly stated their view that it is very important for the continued existence of the Euro-Arab dialogue that there should soon be a meeting of the General Committee. They therefore welcomed the recent invitation from the Arab side to attend a meeting of the General Committee in Damascus, to be held in

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December of this year. This strengthens our hope that in the coming year the Euro-Arab dialogue will devote itself more intensively to its tasks.

Last year political cooperation also dealt more thoroughly with the political situation in Asia and the relations of the Nine with Asian countries than had previously been the case.

The fact that in Brussels next week the first conference of the Foreign Ministers of the Member States of the Community and the ASEAN countries is due to take place is a practical example of these efforts. This conference has been prepared with great care by both sides, and on the European side the institutions both of the Community itself and of political cooperation have been involved in it. We knew from the outset that the ASEAN countries were also very interested in a political dialogue. This is in keeping with the view on the European side that this important meeting should not be confined to economic questions only. This weighting of the subjects to be covered by this meeting demonstrates the interest which the nine Community countries and the ASEAN countries, as regional groupings, have in each other. On the European side we wish in this way to pay tribute to the role of the ASEAN as a stabilizing factor in South East Asia.

We also regard this conference with the ASEAN countries as a contribution to the widening of mutual relations. I am convinced that the conference will also provide an opportunity to put forward European views on problems involving refugees in Indochina. All in all I am sure that this conference will do a great deal to strengthen mutual relations and, in the context of political cooperation, will be the starting point for giving increased attention to political developments in Asia and relations with ASEAN.

Mr President, in March this year the follow-up meeting of the Conference on Security and Cooperation in Europe came to an end in Belgrade. In a joint declaration at the end of the meeting the Nine stressed their intention to continue playing an active role in the process begun in Helsinki. Joint work on the subject — also with a view to the next follow-up meeting planned for 1980 in Madrid — is already under way. There was a meeting of experts in Bonn from 20 June to 28 July to do the preparatory work for the Scientific Forum to be held in HAMBURG on 18 February 1980.

On 31 October in Montreux the meeting of experts on the peaceful settlement of disputes began. In February next year a meeting of experts on the Mediterranean region is to be held in Valletta. To a very great extent the Nine coordinate their approach in all these areas in joint preliminary work.

In May and June the Member States of the Community expressed in a joint statement their deep concern

that the process begun by the CSCE was being jeopardized by the conviction of human rights supporters in the Soviet Union and other East European countries. As signatories to the Final Act they claim the right to urge that human rights, basic freedoms and all the other basic principles laid down in the Final Act be respected by all their fellow signatories. The Nine will continue to strive for a balanced implementation of the Final Act and will not lose sight of this aim during their intensive preparations for the Madrid meeting.

As part of political cooperation the Member States of the Community have continued their efforts to combat terrorism.

On the basis of a draft agreement, drawn up by a group of senior officials from the Ministers of Justice, on the implementation of the European Anti-Terrorist Convention between the Member States of the Community, the Ministers of Justice of the Nine decided at their meeting on 10 October to initial the agreement and to recommend its ratification in the Member States.

At the same time further attention was given to the French proposal for the creation of a European judicial area for criminal prosecution, and as a first step in this direction work was continued on a general extradition agreement for all serious criminal offences. The Ministers of the Interior of the Member States continued their cooperation in all areas of internal security. Their meeting on 30 November in Bonn will deal with the results obtained by the working party of senior officials commissioned by them.

Mr President, ladies and gentlemen, it is becoming increasingly important for the Nine to have a coordinated external policy. In the years to come it will be our task to increase the scope and effectiveness of this joint approach.

When the Nine speak with one voice, it is a daily reminder to the world that European union is coming closer. The international political influence of each Member State is increased by this common approach. In this strife-torn world the interests of Europeans are clear: the ideal of a liberal, democratic order. Europe must be determined to stand up for these ideals together. The same applies to the ideal of peace. For all Europeans war has ceased to be an instrument of policy. The more unified they are, the more effectively will Europeans cope with the task of preserving peace. At the same time we wish to hold political cooperation in Europe up as an example of how countries in a particular region can work together in partnership, equality and solidarity.

The basic principle of Europe is the participation of all Member States in the formulation of common policy by accommodating — and not subordinating — the interests of each one in a broad whole. By virtue of its guiding idea and its basic structure, the Europe

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of the Nine is thus destined to lead the way to a world of universal partnership.

*(Applause)*

**President.** — I call Mr Fellermaier.

**Mr Fellermaier.** — *(D)* Mr President, ladies and gentlemen, I should just like to raise a point of order. What we have heard from the German Foreign Minister as President-in-Office of the Conference of Foreign Ministers is a major review of the period since the last statement by the Belgian Foreign Minister Mr Simonet. I think, however — and this is meant as a serious criticism — that the Conference of Foreign Ministers should find a way of ensuring that, at least on the day the statement is made to Parliament, the President-in-Office's text is available to the members of this House. As this is not yet the case, on behalf of my Group I should like to ask for the sitting to be suspended for 30 minutes so that we can have a group meeting to assess the statement by the President-in-Office of the Conference of Foreign Ministers and have an opportunity, in the light of this statement, to prepare for the debate; I think, Mr President, this is also in the interests of other groups.

**President.** — I call Mr Notenboom.

**Mr Notenboom.** — *(NL)* Mr President, the Christian Democratic Group has no objection to this and is willing to support Mr Fellermaier's request.

**President.** — As there are no objections, that is decided.

The sitting will now be suspended until 11.30.

*(The sitting was suspended at 11 a.m. and resumed at 11.30 a.m.)*

The sitting is resumed.

I call Mr Dankert to speak on behalf of the Socialist Group.

**Mr Dankert.** — *(NL)* Mr President, I should like to start by saying that after the promising start made by Mr Genscher as President-in-Office of the Council in this House on 4 July I was decidedly disappointed at his speech today. On 4 July, Mr Genscher, you attempted to set out what the German Presidency would be working for in the context of European political cooperation and in doing so you gave clear political guidelines together with something of a political assessment of a number of world problems which must be covered by this political cooperation. Today, listening to what you had to say about political cooperation over the past few months, the first thing I notice is that there was nothing by way of a real political appraisal of major points, nothing that could be described as getting to grips with important problems — in short, that all we were given was a vague inventory of items. I hope the discussion we are to have following this statement will nonetheless prompt the

Minister to elaborate on these points and also to come before Parliament with rather more of a sense of political responsibility than was apparent from his speech. Where do we stand as a Parliament if current practice with regard to reports on political cooperation continues unchanged — placing, as it does, this Parliament in the impossible position of having to listen without being able to check the facts, of having to listen without actually being put in the picture as to the background to the decisions and the reasons for major policy moves in connection with political cooperation.

This means there are a number of points I want to take up which Mr Genscher mentioned in his speech without elaborating on them. At the beginning of his speech he said that 'in terms of the subjects covered cooperation has been extended'. Going through the list he gave, I do not have the impression that there has been any significant extension. This impression is perhaps due to the fact that I have the feeling that European political cooperation is getting involved with subjects it should not get involved with. In other words, slowly but surely subjects are creeping into political cooperation which should be dealt with within the framework of the Treaty, through the existing Community channels, via Council, Commission and Parliament. I am thinking in particular here of the vagueness that struck me with regard to the declaration by the President-in-Office of the Council on terrorism and particularly on the 'European judicial area'.

I fail to see why this question, which admittedly originates with the European Council, should now be dealt with under European political cooperation. I should like to have the institutional aspect, as well as the ideas behind this further explained, for I am unclear as to what sense there can be in closer cooperation between the Nine on the question of extraditing serious offenders if among the 20 members of the Council of Europe they have concluded an agreement on just this subject which still remains to be signed by a number of countries. One can only conclude that the intention in the Nine must be to do something different from what has already been done in the larger group of 20, otherwise I fail to see any rhyme or reason in this approach.

Mr President, I now come to another point, the important question of enlargement policy, which Mr Genscher also discussed with particular regard to two aspects: the institutional aspects and that of political cooperation.

I should like to begin with the institutional aspect. At the Gymnich meeting, which was not intended for decision-making but nonetheless significant, agreement was reached — at least agreement in principle — within the framework of European political cooperation on the number of votes to be given to Greece

## Dankert

and on a new basis for calculating the proportions needed for majority decisions. An official start has in fact thus been made on integrating Greece into the existing decision-making process. In other words, no revision of the decision-making process is contemplated in order to ease the working of the Community when, in the near future, there are 12 Members. This is one element that also came up in the Minister's speech in July: at least as far as the Greeks are concerned, for the time being all that has been done is to adjust and extend the existing system, and it seems to me that in the longer term, in the forthcoming negotiations with Portugal and Spain, this could lead to serious complications for the decision-making structure of the Community. One of the problems of enlargement is precisely how to keep decision-making in the Community under control in a 12-member Community.

there was another statement by Mr Genscher which caught my attention concerning enlargement, namely the problem of European political cooperation and the involvement of Greece and Portugal. He told us that both the Greeks and the Portuguese had been provided with the basic documents concerning political cooperation. My question is this: what is the significance of this handing over of the basic documents? Does this mean that these basic documents — and what exactly are they? — have been accepted by the applicant countries? Are discussions being held about this? Or is this handing over absolutely free of any obligations, leaving the new Members completely free with regard to any views to be adopted by the Community in the future?

I ask this also in view of Mr Genscher's extremely interesting statement on the situation regarding Turkey and political cooperation. If I understood right, the situation at the moment is that Turkey does not wish to be informed, nor to provide information, i.e. it reserves judgement on this point regarding the proposals for European political cooperation.

If you want my overall assessment of relations between the Community and Turkey at the present time, I can only say that this is an extremely problematical relationship and that it looks as if Turkey is going to find itself increasingly isolated in its relations with the Community. I know that there are various explanations for this situation and these are to be sought in large measure in Turkey's internal situation and perhaps in the policies pursued over the past few years. The fact remains that the situation is also extremely serious from the Community point of view. If the declaration on European political cooperation and Turkey is to be confined to the statement made by the Minister, this is not, I think, politically in keeping with the seriousness of the situation. At the moment this does not only concern the Community, NATO is also affected, in connection with the reintegration of Greece and the whole question of Cyprus

and the UN resolution, which in fact calls for the withdrawal of the Turkish troops.

I therefore wonder to what extent we are at present still in a position, within the framework of political cooperation, to find ways and means of giving some substance to relations with Turkey. Is it true that the Council, as well as the Foreign Ministers meeting in political cooperation, are of the opinion that economic relations with Turkey must first be arranged satisfactorily before political cooperation can be started or resumed or before political relations can be established? Or is there any scope, are there at present any possibilities for establishing with Turkey — which is after all an extremely important country in the Eastern Mediterranean area — the necessary political relations independently of economic policy?

Mr President, in the speech made in July mention was made of the need for good relations with the Maghreb and Mashrek countries, and I would include Israel in this. It struck me that in the Fresco no reference is made, at any rate not in figures, to the consequences for these countries of enlargement to include Greece, Portugal and Spain. The Commission calculations on this point were taken out — in other words suppressed — by the representatives of the Council. It seems to me, however, that it is already time to anticipate the consequences of this enlargement in political terms. I wonder whether this could not be done via the Euro-Arab dialogue or the proposed Mediterranean Conference. It would after all be totally unacceptable for Europe to be confronted, when it is too late, with the consequences in North Africa and the Middle East of failing to have a policy. I am afraid I have heard very little about such a policy, except for a few remarks on the Euro-Arab dialogue, on which I should like, however, to ask some more specific questions.

Mr Genscher was cautious in what he said about the meeting of the General Committee in Damascus. He did not explain what was behind this cautiousness. I have the impression that this is connected in some way with the peace negotiations between Israel and Egypt, which could in themselves be a hindrance to the success of the meeting in Damascus, I should in any case like to ask the Minister to try and ensure that the Arab delegation in Damascus is no different from the Arab delegation at other meetings of this General Committee.

At the same time I should like to ask what the situation is with regard to the political development of the Euro-Arab dialogue, for if I remember rightly this dialogue was to a large extent frustrated in the early years, as far as political progress was concerned, by the Community's refusal to engage in politics or to generate a certain amount of political activity in this General Committee and thus develop a dialogue. It now, I think, looks as if the difficulties are coming from the other side.

**Dankert**

Mr President, I have one further point, and that is about the ASEAN countries. Mr Genscher mentioned — rightly, I think — the fact that the ASEAN Ministers are coming to Europe next week to strengthen relations between the European Community and ASEAN, which is in itself an extremely important group. As he is expected to, he also stressed the political aspects of this dialogue.

I wonder however, whether the importance of these political aspects does not at the same time derive from the economic relations, the contacts in the field of development cooperation, which can be established with these ASEAN countries. And when I look at the policy pursued by the Community, with import restrictions on various products exported by these countries — albeit primarily directed at Singapore, which is rather less serious than for most other developing countries in view of the prosperity it enjoys but they are import restrictions all the same — and on the other hand an extreme lack of enthusiasm for increasing aid and financial and technical cooperation with non-associated developing countries, I cannot help wondering whether the dialogue with the ASEAN countries is not likely to arouse expectations which will simply not be fulfilled in real economic terms and will thus ultimately have a serious effect on relations between Europe and the ASEAN countries.

I raise this question because in his speech on 4 July Mr Genscher dealt at length with the question of relations between Europe and Africa, and in the field of African policy he propounded a conception of the desired European approach to Africa. I had grave doubts about this, but now I find no trace of this approach to Africa in the Minister's speech. All we have heard is words such as humanitarian action in Zaire and the Horn of Africa and there has been no mention of any kind of European policy towards black Africa — and this is another point I should like to have explained. The President is calling me to order, so I shall leave it at that.

(Applause)

**IN THE CHAIR : MR ADAMS***Vice-President*

**President.** — I call Mr Genscher.

**Mr Genscher, President-in-Office of the Foreign Ministers.** — (D) Mr Chairman, ladies and gentlemen, I came here today to deliver a progress report and not to explain to this House for a second time the conception behind the policy agreed on by the Member States of the European Community. I assume that the honourable Members are still familiar with this conception, and repetition would certainly not be in the interests of lively debate in this House. I shall therefore not reply to your reproach in this matter but simply remind you of this fact. I at least see a distinc-

tion between a policy speech and a progress report, but perhaps our views differ here. I have no intention of changing my view, despite your objection.

As regards your criticism of the meeting and the prospects for discussion with the ASEAN countries, I take note of the fact that the Socialist Group obviously has reservations concerning discussions with these countries. I am convinced that this meeting with the ASEAN countries is of outstanding importance, both economically and politically.

These countries have joined together to maintain their independence in an important area, and it is in our interests for medium-sized countries throughout the world to be able to maintain their independence in the face of the claims of certain powers to exercise hegemony, and we shall continue, Mr Dankert, though you may criticise us for this, to seek ways of strengthening, in all parts of the world, this desire for independence, which can also involve joining together, as we in Europe have successfully done.

I therefore regard the political aspects of this meeting as exceptionally important and I would be interested to know whether the scepticism you expressed actually reflects the views of the Socialist Group in this House. Of course economic cooperation with the ASEAN countries is closely connected with this. That is indeed why we have made it clear that we are in favour of such economic cooperation. It really makes no difference if we cannot always put this economic cooperation into effect to the extent we might wish. Mr Dankert, there are ASEAN countries producing goods which create serious problems in certain regions of the Community.

That does not apply particularly to my country, where we pursue a liberal economic policy at home and abroad. In the GATT negotiations we are against protectionism. Let us not, however, close our eyes to the fact that there are other Community countries — and I do not mean to be critical — where whole economic structures, whole regions dependent on one industry, would be threatened if we tried from the outset to meet every demand.

I have said elsewhere — and would like to state quite clearly now — that it is regrettable that we have, for example, built up industries in certain countries and are now not in a position to import the goods produced by these industries. That is a misconceived development policy. I must, however, as President-in-Office of the Council, allow for the fact that there are countries which need a certain transitional period to complete the process of adjustment. For myself, Mr Dankert, I should like to say quite frankly that I regard development policy as not just a question of government transfers; for me development policy is a question of the private transfer of capital, and that cannot be regimented and directed but operates best and most effectively if conditions are created for the



## Genscher

proper investment of private funds thus transferred, namely legal guarantees for investment, which means a sound investment climate. A third requirement is for governments — in Western countries and in the industrialized countries of the Eastern bloc — to open their markets not only to raw materials and energy from the Third World but also to their semi-finished and finished products. That is the simple truth, and we need to make it quite clear here that the Western industrialized countries take 75 % of the exports from developing countries while only 4 % goes to the Socialist industrialized countries. The rest consists of exchanges between the developing countries themselves.

As Foreign Minister of my country I have pointed out this sorry state of affairs at the United Nations. I do not want to discuss the scale of government transfers, I should just like to give an example and compare two countries to make this point clear. The Federal Republic of Germany is clearly no paragon in the field of government and private development aid. There is still a lot more that could be done, but nonetheless one thing is clear. We are, for example, a country with no natural resources, except for coal, which we can only mine under very difficult conditions. Nonetheless, the development aid provided by the Federal Republic of Germany, expressed per head of population, represents 58 dollars per year, and do you know what the Soviet Union's capital transfers and development aid amount to per year? 1 dollar per head of population. These are figures we cannot ignore. You can take it, therefore, that I attach great importance to the economic aspect of cooperation with the ASEAN countries. I should not, however, like the political aspect of cooperation between two groups of countries which are at different stages of development and are continuing to develop differently to be put in the shade. Believe me, the future of this world lies in the independence of individual countries. And those countries which believe they can continue to pursue a foreign policy based on hegemony, on imposing their system on other countries, are in fact pursuing a reactionary foreign policy, and now more and more groups of countries in various parts of the world are banding together — and this is not happening out of the blue but because the example of the European Community has shown them that this joining together in worthwhile not only in economic terms but politically as well. If, therefore, such countries want a political dialogue there can be no doubt whatever that we must say yes, take an active part and even encourage these countries in their endeavours to preserve their external and internal independence in this way. That is my assessment of the Euro-ASEAN dialogue.

*(Applause)*

Now ladies and gentlemen, you mentioned the discussions we had in Gymnich. You are familiar with the character of government meetings such as the one in

Gymnich. These are informal discussions among the Foreign Ministers, since it has been found that very often in large, elaborate meetings of the Council there is a certain reticence in the remarks made. Partly, of course, that has to do with the fact that individual ministers have a tendency to speak reticently anyway because before their own national parliaments they have to weigh every word and can be criticised there for any particular statement. This sort of informal gathering is therefore an absolutely ideal instrument for preparing decisions to be taken by Community bodies. However, as soon as you change the particular character, the private, almost intimate character of these gatherings by making them the subject of official reports, you might as well abolish them. Then you are left with the Council of Ministers and European political cooperation; you are back where you started. What I can report on, however, are the results of this meeting.

I think there is a great deal to be said for the creation of a European judicial area, but I cannot go into this yet because the French proposals have not yet been submitted. In giving my progress report I can only say what has happened and not, as in a policy speech, what ought to happen. Excellent progress has been made on cooperation in matters of internal security. I know this from my successor in my previous position as Minister for the Interior. Perhaps Parliament could consider how to find an opportunity, similar to the political colloquies we have on matters of foreign policy, of getting the Ministers of the Interior to say what can be said.

There is just one point you will all appreciate, namely that questions of internal security — and here it is a question of the internal security of Europe — and the improvements that need to be made here in particular fields can be discussed, either in national parliaments, except in closed committee meetings, or here. At any rate I should not like to turn a plenary sitting of the European Parliament into a advisory session for European terrorists; that can only be discussed in closed meetings. ...

**Mr Fellermaier.** — (D) A question ...

**Mr Genscher.** — (D) ... I shall of course be glad to answer a supplementary question, Mr President, if you want.

**President.** — I call Mr Fellermaier to put a supplementary question.

**Mr Fellermaier.** — (D) Mr Genscher, would you please note that on matters of international security my Group takes exactly the same view as you, although we are still uneasy at the fact that the question of creating a single judicial area on the basis of the French proposals is apparently, as matters stand at the moment, not to be the subject of discussion here in the European Parliament or in a suitable committee.

**President.** — I call Mr Blumenfeld on a point of order.

**Mr Blumenfeld.** — (*D*) While Mr Genscher's speech has started an interesting and lively debate, can we be sure that this is not a dialogue between the President-in-Office of the Council and the Socialist Group alone?

**President.** — You can be sure of that.  
I call Mr Genscher.

**Mr Genscher.** — (*D*) Mr Blumenfeld, I would ask you to forebear with me for having answered immediately. That was intended to give the Socialist Group the chance of making its position clear. I am glad to note the clarification of one point. I would have been even gladder, Mr Fellermaier, if you had said, in contrast to the previous speaker, that the Socialist Group took a favourable view of the dialogue between ASEAN and the European Community...

**Mr Dankert.** — (*D*) I can assure you, Mr Genscher, that your explanation has been sufficient to remove any doubts.

**Mr Genscher.** — (*D*) That is in itself a great comfort. Ladies and gentlemen, the question was raised of extending European political cooperation to further areas — and ASEAN is one of these. That is a good thing. You also touched on the question of whether we were not perhaps dealing with areas which are too far-reaching. That perhaps needs further clarification. What, you then asked, does the cooperation with Greece and the other applicant countries consist of? It consists of handing over the basic documents.

Ladies and gentlemen, this brings us to an extremely difficult chapter because we must all accept the fact that it is in our joint interests in view of the continuing development of European political cooperation, for the applicant countries to be introduced to this political cooperation at as early a stage as possible. That is the reason for keeping them regularly informed. As before, I make no secret in this debate of my own view, which is that if it was up to me alone as German Foreign Minister these countries would already be taking part in EPC during the negotiation period in order to involve them as soon as possible in our policy-making machinery. This opinion is not shared by all countries, but all the countries must give their consent; therefore all that can be done at the moment is to provide as much information as possible.

With regard to Turkey the fact is that the Turkish Government has not yet responded to our offer. I would not regard this lack of response as a refusal but rather as leaving the matter open — and I think we are all in favour of also involving Turkey more closely with the problems of European political cooperation. For it cannot be in our interests for the desired admis-

sion of Greece into the European Community to impose a strain on Euro-Turkish relations. On the contrary, it is in our interests to improve relations, and that can only be done in the way we have proposed. In order not to deprive other groups of the opportunity to contribute, I should like to say no more than this and reply later in the debate to what other groups have to say.

**President.** — I call Mr Spicer on a point of order.

**Mr Spicer.** — Mr President, with the greatest respect to you and to the President-in-Office, I am becoming rather bewildered. I thought that we would have an opening speech from the President-in-Office followed by interventions from the Members and that then, as is the normal parliamentary course of events, he would reply. Now it may be that the President-in-Office has other appointments which he has to keep, but I take the greatest exception to an intervention that is directed towards a speech made by the spokesman of the Socialist Party only, when many others of us here have points that we would wish to have replied to. All I ask for is an explanation for this procedure, because if we are going to follow this particular course in the debate, we shall be here until 8 o'clock tonight, with every single speaker being replied to individually. I am certain that is not the President-in-Office's intention, but I would like some clarification both from him and you, so that we can all plan how we are going to deal with our own interventions.

**President.** — Mr Spicer, I can assure you that Mr Genscher expressly asked to intervene at this point. He in fact said at the end of his speech that he would of course be available at the end of the debate to reply to all the spokesmen for groups who have yet to speak.

I call Mr Bertrand to speak on behalf of the Christian-Democratic Group (EPP).

**Mr Bertrand.** — (*NL*) Mr President, like the previous speakers, I find the procedure we have been following regrettable because it is no way to conduct a normal, healthy debate if individual points are to be answered before the whole debate on the statement by the President-in-Office of the Council has run its course. I should like nonetheless to congratulate the President-in-Office on the efforts he has made since assuming the presidency to give more real substance to European political cooperation. I listened very attentively to his report. Mr Genscher, it goes without saying that I do not share your view on the way in which this discussion of European political cooperation here in Parliament has been organized. Your start from the principle that you are merely giving a report on what has happened in the field of political cooperation and not making a policy speech.

That, of course, makes it impossible to have a policy debate, since all you have told us is what we know

## Bertrand

already. We have read it all in the papers — a conference in Bonn, a meeting here and a meeting there. We already know about all that. What we want to hear, however, is the philosophy that lies behind the foreign policy pursued by the Nine. What political options do the Nine have with regard to developments in relations between Africa and Europe? What political options are open to the Nine in their efforts to make their presence felt again in developments in the Middle East? What is the political line taken by the Nine in trying to adopt a common position? That is what we would have liked to hear, for that would give us the opportunity of having a real debate on foreign policy.

I listened carefully just now to your reply to Mr Dankert. I kept on wondering: in what capacity is Mr Genscher speaking now? You spoke in your capacity as President-in-Office of the Foreign Ministers Meeting in political cooperation, you spoke in your capacity as President-in-Office of the Council, and you spoke in your capacity as Foreign Minister of the Federal Republic of Germany. It is very difficult for us to know exactly in what capacity you are putting forward a particular viewpoint at a given moment. Regarding the necessary intensification of political relations with the ASEAN countries — which has my full support — in your reply you devoted a whole section to a point that is among the responsibilities of the European Commission under the heading of economic cooperation. Now you have linked it to foreign policy.

This should make it immediately clear to you that the course we are taking here is lacking in clarity and gives rise to confusion. In your report, for example, I saw several references to the fact that there had been more than 100 meetings of working parties and that the Council had busied itself with this or that matter. But what we are discussing today is the report on the work of the Foreign Ministers meeting in political cooperation, and not the Council of Foreign Ministers. We are obviously going to have to abolish this distinction, as it has no point any more. It is becoming impossible to sort this out — we can no longer know exactly what is political cooperation and what is Council. I would ask you to give serious thought to this. I shall say no more on this point, since Mr Blumenfeld will shortly be saying something about the way in which the Foreign Ministers have followed up his report and his proposals on further development of the contacts between the European Parliament and the Foreign Ministers meeting in political cooperation.

You yourself started your speech by saying that direct elections to the European Parliament would be an opportunity and an incentive, via the direct involvement of our citizens in the future development of Europe, to further extend European political cooperation in conjunction with Parliament. I do not want to go into this any further at the moment.

Secondly, I should like to congratulate you on the results achieved in the framework of European polit-

ical cooperation in your efforts to adopt Community positions in international organizations, in UNESCO and the United Nations. Considerable progress has indeed been made in this respect, and we are glad that on these occasions you were in a position as President-in-Office of the Nine, at the 33rd General Assembly of the United Nations and at the UNESCO General Conference, to present a united front on behalf of the Nine with regard to racial discrimination, the protection of human rights, the apartheid problem, the problem of terrorism and so on. I can but congratulate you on this and can only urge you to try and push on in this direction so that consultations between the Nine on the occasion of meetings at world level are further organized in such a way that the President-in-Office is always in a position to speak with a single voice on behalf of the Nine. It is this European identity which at present makes our influence so widely felt in the world. It is actually rather ironic that internally, within the European Community, we have not got nearly as far in our attitude to European identity as the Africans, the South Americans and those in Asia who already regard us as a real political entity, while we sit here complaining that we are getting nowhere. I think this needs to be said.

You yourself said just now that the example of European cooperation within the framework of the EEC and in European political cooperation was an inducement for many other countries to do the same. You also said that future developments in world politics depended on the non-aligned countries, those that are not aligned in blocs and which can thus exert greater influence than countries which are already firmly committed. You emphasized this point. Hence the great importance of laying down a philosophical framework for EEC foreign policy. I am well aware that we have not reached that stage yet. It will be a few years before we can work out an official EEC foreign policy. That will have to be linked to the establishment, via the EMS, of Economic and Monetary Union, the creation of a European currency and of a European political union. When that happens we shall be able to say we are getting very close to a genuine Community foreign policy.

The fact remains that there are a number of questions I want to ask you now which are causing me a great deal of concern. Firstly on European political cooperation and the lack of a coherent Africa policy. The current general view is: Africa for the Africans and support for the Organization for African Unity in order to promote the unity of Africa. This means developing free cooperation with Africans, on a basis of equality, in order to help them develop. In this respect we have set an example in concluding the Lomé Agreement with 54 countries. That, however, comes under the Economic Community. In the context of European political cooperation we do not have the same degree of cohesion. With regard to this I should like to quote a few examples.

**Bertrand**

Firstly, there is the problem of Namibia. You yourself said that in July this year the various parties had agreed to the compromise proposals put forward by the five Western powers to make it possible to grant independence to Namibia and that in July it was agreed that this independence should be granted on 1 January 1979. Since then, in further discussions with other interested parties, the Five have revised these proposals. They have sent envoys to South Africa to try and have this independence date of 1 January 1979 postponed and to get the elections held in April next year, i. e. at a later date. There has thus been talk of a change in the position of the five Western powers with regard to the general agreement that was accepted by the South African government last July. We are now faced with the fact, which you seem to appreciate — and I should like to have a reply on this point — that from 4 to 8 December the South Africans are holding elections in Namibia. I myself have been asked to go to Namibia for a week as an observer, from 4 to 10 December, to follow the elections on the spot and establish whether they are properly conducted with regard to secrecy, freedom etc. I have not accepted this invitation, but it was made to me personally on behalf of the South African government. They are thus taking no account of the revised proposals. What is now the Five's position regarding these forthcoming elections?

Have you yet decided what to do? Are you or are you not going to recognize Namibia after 8 December or 1 January? Are you going to adopt the same attitude towards Namibia as you adopted towards Botswana and Transkei and thus not recognize it? This after all involves a political option of exceptional importance. The people of Namibia will have to know by 4 December, when the elections are held, whether and in what way we are going to take account of these elections. There will, I hope, be observers from the Secretary-General of the United Nations, Mr Waldheim. The elections are, in any case, a reality. We should like to know what the position of the Nine is regarding this event from 4 to 8 December, which cannot be disregarded.

The second problem is the question of Rhodesia. Do we have a clear and definite position on this? Are we or are we not in favour of condemning the failure of certain multinational companies and certain countries to observe the embargo? Do the Nine have any views on this? Do they approve? I should like to know what their attitude is.

Secondly, if the Anglo-American proposal for an all-party conference comes to nothing, what will then be the attitude of the EEC within the framework of political cooperation? Are you then going to wait for the British and Americans to come up with a new proposal? Are you going to do nothing yourselves? I should just like to know, for it is extremely important

for us not always to lag behind with regard to developments which particularly concern us. We are much more closely involved in developments such as in Angola, Rhodesia, Zaire and Namibia than the Americans, who have hitherto never understood the importance of Africa. They have realized this too late, their reaction comes too late. But we have always been on the scene, as colonial powers, then with special trade relations and now thanks to the Lomé agreements. What will our position be if it proves impossible to convene this all-party conference? Have we then any suggestions to make on behalf of the European Community, the Nine meeting in political cooperation? It would be of considerable interest if you could give some information on this in view of developments in Rhodesia, where there are now signs of the beginnings of a solution with the cooperation between part of the African population and the white community. I know, the white community is running an illegal regime, but part of the black community in Rhodesia has recognized this illegal authority as an equal partner and has concluded an agreement with Ian Smith. They have tried to set up an interim government, albeit without the consent of certain other parties. But that is the mark of a democracy, that not everyone needs to agree. Should those who do not accept the agreement then be allowed so much influence and so many advantages that those who do accept the agreement find themselves thereby in a minority position? It seems to me that these are questions with a very real political content. We should like to know, in view of our influence and our prestige, what we are going to do about this.

Finally, a question on apartheid. We are all against apartheid and we are in favour of your using your influence to convince South Africans with white skins that those with black skins are their equals and should be treated accordingly. This view has our full support, but there is one problem we cannot ignore. In the Union of South Africa there are 4 million white Africans living alongside 20 million coloured Africans. If the system of one man one vote is applied there we can be sure that within ten years there will be nothing left of those 4 million white Africans — they will disappear. Can we remain indifferent to this?

Is the position we adopt on this question sufficiently clear? Have we given sufficient emphasis to the fact that if apartheid disappears there must be sufficient guarantees to ensure that in this process genuine Africans, who have been born and brought up and have their homes there will in future still be offered security and a livelihood by those who are now exerting such strong pressure?

I am well aware that this is a very delicate problem. This line of argument goes against public opinion, but we as politicians must have the courage to adopt a responsible position on a question of such great importance.

**Bertrand**

So much for the questions I wanted to ask in order to try and find out whether you have a proper Africa policy within the framework of European political cooperation.

And now the Middle East. I am just taking things in the order you followed in your statement. You say you are closely following the progress of the Camp David peace efforts of the Egyptian President and the Israeli Prime Minister and that your policy towards the Middle East continues to be based on your declaration of 29 June 1977. But surely, Mr President-in-Office, this is no way to conduct practical politics.

I know that this is a very delicate matter, but I should like to ask whether you agree that it would be a considerable step forward if Egypt and Israel managed to conclude a separate peace treaty with one another now. Do you think that such an agreement would make it easier to achieve the second outline agreement, i.e. that this agreement between Egypt and Israel would make it easier to find a solution to the problem of the Palestinians and of relations with the other Arab countries? These are after all matters on which we would expect a Community to have views in the context of political cooperation. It is not enough for us to say we are following developments with close attention, we support them and are of the opinion that the Palestinians must be given the right of self-determination and a territory of their own. We all know that, but since 29 June 1977 new factors have come into play that are of such sweeping political importance that you can no longer hide behind a declaration which has since been overtaken by developments in the countries concerned in that area. The new facts should prompt us to adopt a new political position. I should thus like to point out that there is a pressing need for Europe to make itself felt in the Middle East, to use its influence as far as possible to help smooth the way for the peace negotiations.

We must not just watch how Carter does it, how he accepts his responsibility here. We cannot calmly wait and see whether he succeeds or not, without committing ourselves at all, without taking on some responsibility. That is no policy! That is no policy for a Community which is the world's biggest trading partner, with 250 million inhabitants, and which, historically speaking, is very closely involved in the whole pattern of events in the Middle East, since what happens there will have a great effect on us.

And then there is Iran. You did not say a word about Iran! Yet current events there are something you cannot ignore. Developments in Iran can completely upset the balance in the Middle East, a balance that we have for years devoted so much effort to trying to maintain. If Iran collapses we shall be faced with an impossible situation, for that country occupies a key position for the Western world in the Middle East. Should we or should we not support the Shah? Or do

we wait and see what happens? This is of course a very delicate question, but it is a matter of our sense of political responsibility that we want to know what our nine Foreign Ministers think about these difficult, dangerous and disturbing developments in Iran.

I see the President is telling me it is time to stop.

I should like to add a brief word on the Lebanon. What action have you taken following the resolution we adopted here in Parliament last month? I shall say no more than that.

Regarding the Euro-Arab dialogue I share your view that the meeting in Damascus must be approached with caution. I share this view because this is a very delicate matter in view of the power-keg situation there at present. There is thus nothing more I can say on this.

With regard to Belgrade I would ask you not to lapse into the same attitude in Madrid as the Nine adopted before when they dropped the problem of Basket Three in order to make way for an agreement. You must make intensive preparations for the Madrid conference so that the problem of the whole Final Act can be raised there and not just the three technical problems on which agreement was reached in Belgrade.

*(Applause)*

**President.** — I call Mr Johnston to speak on behalf of the Liberal and Democratic Group.

**Mr Johnston.** — Mr President, like Mr Bertrand, I found the earlier intervention of the President-in-Office somewhat puzzling and not especially helpful to the flow of the debate. But that having been said, I must begin by saying favourable things about the German Presidency, which I feel, has thus far been both active and stimulating. For me it is a very great pleasure that a Liberal should play such a central role in this. I should like to take the opportunity of congratulating the Free Democratic Party on confirming, by an overwhelming majority, its faith in the leadership of Hans-Dietrich Genscher at Mainz last weekend.

The Community has been brought by the German Presidency to face certain key problems about its future. If the response of some of the Nine is still negative and short-sighted, that is hardly the fault of the German Government, which has given a very constructive lead. I wish I could say the same about the British Government which, if it is not the only sinner — and it is not the only sinner — has certainly given the impression of wishing to repeat the errors of British Governments in the '40's and in the '50's in the matter of European cooperation. The present British administration's instinct seems to be to oppose everything and then to complain about the result of its own obstruction. We have seen this in the matter

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of direct elections and we are seeing it again with regard to the proposed European Monetary System.

Perhaps, Mr President, you will permit me, though it is not strictly within the area covered by the President-in-Office, to make passing reference to this, as it is so central, not only to our present situation, but also to the question of enlargement, which occupied rightly and properly a considerable part of the President-in-Office's speech. It seems to me that the contrast in attitudes between the British and the Italian Governments is very painful but very instructive also. Both are quite properly worried about the possible effects of the EMS upon employment in their countries, and especially employment in the poorest parts of their countries. Whereas, however, the Italian Government looks upon this as a problem to be overcome, so that Italy can play its full part, the British Government seems to look at it as a reason for trying to block progress towards closer monetary cooperation.

Now I want to make it clear, Mr President, that in common with our Liberal colleagues on the Continent and with the European Parliament's Liberal Group, Liberals in the United Kingdom believe that the Bremen proposals provide a starting-point for progress towards economic and monetary union. We believe that the Community will have to go further, we are convinced that the logic of linking currencies implies linking economic policies and eventually one day linking budgets. We want to make our position absolutely clear on this and to make it clear also that we are not afraid of these conclusions. We can only deplore the fact that chauvinism and Marxism seem to join hands in the Labour Party, while in the Conservative ranks there is a certain timidity about European matters. Now I apologize, as I said, for making reference to these economic questions and perhaps also for concentrating on my own country, but I hate to see a situation in which Great Britain, with its long and often very distinguished history at the centre of world affairs, seems to be sinking into the kind of torpor of the political mind from which Spain has so recently awakened. It would be very sad indeed if the Channel became the sort of barrier, the sort of symbol of mental isolation, that the Pyrenees were for so long.

It is indeed one of the most hopeful developments, not just in Europe but in the world, that we have seen the re-establishment of democracy in the Iberian and Aegean peninsulas. If at the time of the last enlargement any member of this House has said that within four years Spain, Portugal and Greece would be in the moral and political position of knocking at our door, I think he would have been regarded as an absurd optimist. But on Monday we were honoured by the visit of President Eanes to this House, and two weeks ago I was a member of the delegation from the Liberal and Democratic Group, led by our chairman Senator Pintat, that visited Portugal. On that occasion we were

most impressed by the importance that Portugal attaches to the European vision, an importance reflected in the speech made in this chamber by President Eanes. It is, of course, a poor country wrestling with immense problems, and they want our economic backing, but I think that the fact that the Portuguese are particularly insistent on wanting to join our Community is a proof of their democratic status and a sign that they have emerged from a back-water into the modern world. The economic position of Spain and Greece may be more favourable, but I believe that the psychological and political pressures are the same in both these countries. There has been too much lip service, it seems to me, paid to enlargement, and it will be very much a matter of political cooperation with these countries. It is time that we took a more positive attitude.

Of course, enlargement poses grave economic and social problems, especially for farmers, in the Mediterranean area of the existing Community, and it is right that we, as a Community, should do all we can, through the extension of the Regional and Social Funds, to help those who are affected. But, Mr President, the problems of the small farmers of Southern France and Italy must not be made an excuse for obstructing enlargement any more than the equally serious problems of the rural areas and declining industries of my own native Scotland should be made an excuse for obstructing the development of European monetary cooperation. I think that is of profound political importance, and I do not think we should underestimate the existing possibilities for delaying enlargement and the potential for political damage that is implicit in this.

I think the only time I have felt myself very much out of tune with Mr Genscher in recent times was when I attended a meeting euphemistically termed a reconciliation meeting between the views of Parliament and the views of the Council on the question of regional development, in which the Council showed no inclination whatsoever to make even the smallest concession. If Portugal is to be a member of the Community, then considerable concessions will have to be made in this area. I think it is true that the Midi and the Mezzogiorno have special problems and require generous treatment, but they do not need and they do not deserve, the demagogic exploitation of their problems, by Communists on the one hand and the Mayor of Paris on the other.

In my own country we see the same attempt to play on the fears of people for electoral purposes by the far Left and the reactionary Right. It is really a very extraordinary combination actually. I do not know how it is, or if it is that Mr Enoch Powell influences the French Communist Party, or Mr Debré and Mr Chirac influence the left wing of the Labour Party, but they certainly say almost exactly the same sort of

## Johnston

things, and what they say, is to my mind, damaging to the Community, bad for Britain and France and not in the true interests of the poorer regions, the farmers or the industrial workers. These people would suffer with all their fellow-citizens if British politicians succeeded in blocking the economic and political development of the Community, these people would also suffer if French politicians succeeded in denying to the new democracies of southern Europe their chance to join in the march towards a union of free Europe.

Now, with respect to Mr Bertrand, I do not believe, Mr President, that is all that profitable to attempt to look at political cooperation as if it took place in isolation from economic movements, policies and interests. I think that is perhaps a shortcoming of this particular method of dealing with these questions. In our own domestic Parliaments, when one deals with foreign affairs, which is what we are talking about, we do not exclude economic questions, and I do not do so here. I think that was a weakness of Mr Genscher's presentation, but perhaps the fault lies more with the structuring of our debates and what he is expected to do than with himself.

He gave us a list of achievements in the cooperation field, about which it is possible to feel some satisfaction, but he rightly did not exaggerate their significance and indeed at one stage, I remember, properly used the word 'embryonic'. The Liberal Group supports very warmly the attitude he expressed on the proposed UNESCO declaration on the mass media. This is a matter of profound importance for the pluralist concept of freedom which after all is the hallmark of the European contribution to progress and democracy. I think it would be gravely damaging if there was recognition by a world organization of the kind of proposals contained in the UNESO draft. Both in this area and in the much wider but related area of human rights, the Nine have shown a capacity to work together, and by working together to exert a powerful and benign influence. It is also true of the build-up to the Madrid Conference, though I must say, Mr President, that I cannot forbear to recall the last-minute French initiative in Belgrade, which was taken entirely without warning and to express the hope that we will not see any similar occurrence in Madrid. Mr Genscher also rightly emphasized his rejection of racial discrimination and the continued pressure on South Africa.

With regard to Mr Bertrand's series of questions, with which I have no doubt Mr Genscher will deal when he speaks, it is difficult to give absolute answers to some of these questions. In fact, there is a case for not giving absolute answers to some questions. However, I have no doubt at all that the code of conduct is of a special and a particular importance in securing peaceful change in South Africa. Certainly the Liberal

Group hopes that a report on progress in this area, which we have been waiting for for some time, will soon be available for scrutiny and that the extension of the code of conduct outside the Community, to which Mr Genscher made reference, will be successful and will be speedily implemented. I repeat that I regard the code of conduct as of particular importance in securing change within southern Africa. It is a very practical matter, it links together political and economic change in a fruitful way.

I also went along with his references to the North-South dialogue, the misery of refugees in Indo-China and a number of other matters of that kind to which he referred. But there were gaps like those to which Mr Bertrand draws attention. I thought particularly that the lack of any reference at all to the situation in Iran was a strange omission. Of course, Mr Bertrand is absolutely right in saying that this certainly is a situation which could very seriously effect both the Middle East and Europe.

There is, however, a long way to go in political cooperation. The absence of a European influence at Camp David was indicative of this. I agree with what our Socialist colleague, Mr Dankert, said about our aid record. I accept the figures that Mr Genscher gave and concede that the comparison with the Soviet Union was a valid one, but that does not invalidate the criticism, that we, perhaps, still continue to do much less than we should.

Many of the difficulties that we have in political cooperation are inevitable, and we should not always necessarily be depressed about them. Our interests are not always the same, our prejudices vary and differ, but we do, I think impose unnecessary difficulties on ourselves by excluding some matters in an arbitrary manner.

For example, consider defence or, if you prefer the word, security. It does not really seem to me to make a great deal of sense to refuse to discuss these matters in the Community. How can you work out an African policy if in political cooperation, you cannot take any account of the military needs of Zambia, for example? That is a fair question, I would have thought. How can the Nine arrive at a common view on the Middle East, if the question of weapon supplies cannot be discussed but remains in the end a matter of competition rather than cooperation? I believe that meetings of Defence Ministers of the Nine should take place on a regular basis. The European Council should be realistic enough to consider these questions. After all, the European Parliament has set an example, and I refer in particular to the reports of my former colleague, Lord Gladwyn, and Mr Klepsch. Perhaps in replying Mr Genscher could indicate that he would welcome initiatives on the one hand from a fellow Liberal and on the other from a fellow-countryman.

**Johnston**

Lastly, I would be interested, because it is not something we speak about all that often and yet it is important, to hear Mr Genscher, having almost completed his six-month period as President-in-Office, make some comment on the suitability of a period of this length for enabling coherent progress to be made within the Council. One fully recognises and realises the difficulties that longer presidencies would create, but I do not think that should necessarily exclude our questioning the effectiveness of the present system which means that progress is uneven. Perhaps all progress is uneven and will always be so, but it seems to me that perhaps we make it unnecessarily so at times.

I thank Mr Genscher for his contribution and thank him for the lead he has given to the Community during his period of presidency and wish him well.

**President.** — I call Lord Bethell to speak on behalf of the European Conservative Group.

**Lord Bethell.** — Mr President, I am very glad that this House has once again had a chance to debate political cooperation among the Nine. It is very welcome indeed to have this opportunity. So often one has the impression that, in this House, and in the Community as a whole political cooperation is treated as something of the poor relation among connections between our Nine countries: something of an offshoot of the Council of Ministers. It is extremely welcome that we have the chance today, in a major debate, to discuss the achievements and the deficiencies of it, and I am very grateful to the President-in-Office for spending quite a lot of time on it.

The President-in-Office gave us by-and-large, a comprehensive and excellent resumé of political cooperation during the past year or two. He was perhaps a little optimistic. He emphasized the achievements of political cooperation, and on one or two points I am not sure that he got the facts exactly right. For instance it was my impression that after President Sadat's visit to Jerusalem at the end of last year, the Nine were unable to achieve a unified position or statement on that visit. I wonder if he could at the end of this debate clear that point up. We are very grateful and appreciative of the fact that the Nine were able to make a clear unequivocal statement about Camp David, but I do not think that the Nine did find a unified position at the end of last year. Likewise, a serious fault in political cooperation this year, think the House will agree, was the approach to the crisis in Zaire and to the Kolwezi tragedy. It was an extremely bitter experience to see two Member States — and not only two Member States — in serious conflict on a matter of such political importance, and I sincerely hope that such a conflict will not be repeated in the coming year.

In expressing this hope one has, I think, to bear in mind the fears that we all have over the situation in

Iran. Like other speakers I would like to express my surprise that Mr Genscher had nothing to say about Iran and my hope that he will have a few words to add to his statement, on the subject of Iran in a few minutes' time. We all remember how the Community reacted to the last Middle East crisis at the end of 1973. The failure of the Community, the failure of the Nine, to present a coherent policy on the crisis that descended on us, all and the lack of energy which we then had to experience — it would be a tragedy, a double tragedy, if these were to be repeated. Of course we hope that the situation in Iran will somehow recover, that a peaceful way will be found out of the crisis that engulfed that country. But it would be a grave dereliction of duty, Mr President, if the Nine were not now getting together and making clear and efficient contingency plans should the worst happen in Iran, because the worst, should it happen in Iran, would be very bad indeed. One only has to look at the map to see what an anarchic or a confused or a hostile situation in Iran could inflict on the whole world and on the Nine, great consumers of energy, if something were to go seriously wrong. I would very much like to be reassured by Mr Genscher that some discussions are taking place about Iran within the machinery of political cooperation, to avoid anything like 1973 happening again.

But the President-in-Office rightly emphasized some of the achievements of the past year, and he did not, I think, spend very much time on what was perhaps the greatest achievement the common stance that was realized by the Nine in the Belgrade Conference. Mr Johnston mentioned a case where one Member State brought in a separate initiative in Belgrade. There were several dozen other instances where the Nine acted as one in putting forward amendments to the Final Act and in making suggestions for a better implementation of the Final Act as it stands. And the fact that the final communiqué after Belgrade was a disappointment to us all was no fault of the Nine, I would suggest. On the contrary, the Nine really did their best, working together to achieve an improvement in the Final Act and to make the communiqué meaningful. The fact that this failed was not their fault.

It would, I think though be a suitable time to look again at a question which was not touched on very much by Mr Genscher, the question of the institutions of political cooperation. Have we got these institutions right? And is there some improvement that we could find in the institutionalization of political cooperation? As I said at the beginning of my speech, one sometimes has the impression that this branch of the Nine's activity is seen as a mere offshoot of Council activity. Because it does not form part of the Treaties, it is treated as a poor relation. There is no



## Lord Bethell

real permanent secretariat on a senior level in political cooperation. There are meetings of foreign ministers, but only four times a year. I wonder whether this is enough and whether the monthly meetings that take place between political directors are on a sufficiently high level to keep the momentum going that will lead to a development towards, in the end, a European foreign policy. Is this the right approach, the simple feeding of information from Member State to Member State on a day-to-day basis? It has been suggested that this is the right way to get a common foreign policy in the end, that it is an excellent system of cross-fertilization, like water dripping on a stone, and that eventually some penetration will be made and something will emerge that will draw us together. But I wonder whether we do not need something a little bit more dynamic at this critical stage in the Nine's political development.

There is another reason I should like to put forward why we need a clearer institutionalization of political cooperation. At the moment, as far as I can gather, political cooperation works very much by a system which one might call the 'guiding-Member-State' system. In other words, one Member State takes the initiative in guiding the others towards a common foreign policy. Over Zaire one can imagine, for example, countries which were closely involved there, France, Belgium and Germany with its great trade interests in Zaire, took the guiding initiative. In the United Nations as a whole, a lot of guiding is done by the two permanent members of the Security Council and the third Member State, Germany, which happens at the present time to be a member of the Security Council. And it is, I think, largely because of their achievements that in the last year the Nine were able to vote together in 60 % of United Nations votes. But is 60 % enough? And can we look forward to a better percentage in 1979?

There is a danger in this guiding-Member-State system and I will give an example of this. Just as we relied on France and Belgium to brief us, the Community of the Nine, on the crisis in Zaire, so we have relied on the present government of the United Kingdom, to brief us and to form a Community foreign policy, inasmuch as that is done, on the situation Rhodesia. Earlier this year, I remember hearing Mr K.B. Andersen, Mr Genscher's predecessor, saying as President of the Conference of Foreign Ministers, from the benches opposite, that the Nine do not approve the internal settlement in Rhodesia. Now, I wonder whether Mr Andersen had himself studied that question very carefully as the Foreign Minister of Denmark, and if the other Member States had taken clear cognizance of all the very complicated arguments for or against the internal settlement, a matter which is extremely controversial, and which cuts across party lines very sharply in the United Kingdom, the country which has had in the past the most to do with Rhodesia? Is there not a danger, Mr

President, that the 'guiding-Member-State' system, while it sometimes increases the positive effects of political cooperation, can occasionally multiply the errors of political cooperation by magnifying a controversy, and magnifying a controversial policy, which may perhaps not be very popular in the country where it was originally formed.

I have tried to make a few constructive suggestions for the future of political cooperation, which I see, and I believe my group sees, as one of the most vital aspects of the Community and one of the greatest hopes for the Community's future. I would like to end by reiterating Mr Genscher's statement, which I fully agree with, that when the Nine do speak with one voice, the world does take note.

**President.** — I call Mr Sandri to speak on behalf of the Communist and Allies Group.

**Mr Sandri.** — (I) Mr President, while we thank Mr Genscher for his detailed report, I should like to point out that we Italian Communists intend to deal only with the subject of southern Africa. Among the many strategic areas throughout the world in which a struggle between systems of government, political forces or social interests is in progress, it seems to us that southern Africa is one of the most important in relation to European political cooperation, since it is on that alone — political cooperation — that we must concentrate. What is happening in southern Africa is significant not just because of the intrinsic importance of the problems there, but also because the European Economic Community is involved, albeit indirectly, since it has made contractual agreements with many of the countries which have front-line commitments in that area. Moreover, some important members of the European Community belong, together with Canada and the United States of America, to the group appointed by the United Nations to follow developments in South Africa and Namibia. We therefore thought Mr Genscher was right to wonder whether there has been progress or on the contrary regression in this area as compared with last year: it is clear that the situation in southern Africa is in fact deteriorating.

As an example of the increasing political and military aggressiveness of the colonial regimes and the difficulties which the governments and liberation movements of that region are encountering, I should like to mention only the series of ruthless attacks against Zambia and Mozambique in recent weeks. Above all, apart from the military aspect, I should like to remind you that the South African Government — once more defying the authority of the United Nations and the Member States of the Namibia supervisory group, breaking its own earlier promises, with an attitude of arrogant contempt — has unilaterally decided the fate of Namibia. Because of this situation, the governments of the front-line countries and liberation move-

**Sandri**

ments have suffered setbacks which it would be foolish to underestimate or try to brush aside. I should like to remind the House of a single fact, namely that Zambia was compelled to reopen its frontiers with Rhodesia; I say 'compelled' because Zambia, unlike other countries — and particularly certain European countries — applied the sanctions, suffered from the isolation in which it was left, and found itself with a disastrous budget deficit — in order to comply with the United Nations decision Zambia sacrificed hundreds of millions of dollars — so that in the end it was forced to reopen its frontiers. In a situation such as this, I think it can only be said, with regard to political cooperation, that the European Community has, in our view, played a totally disappointing role, once more split between commitments in principle and tacit acceptance in practice.

I do not think we can confine ourselves simply to noting what happens in southern Africa and hoping for a peaceful solution, when we see that such solutions are made less likely by the unilateral and contemptuous action of the governments or authorities in power there. What we are saying is, simply that what is happening, and has happened over the last year in southern Africa indicates that in all probability the process of liberation of those regions will be more stormy, more difficult and perhaps more lengthy, but will at all events be historically irreversible. We therefore invite you to take a longterm view. The vacuum resulting from the lack of a real commitment on the part of Europe may eventually be filled by other countries, other forces, and other systems, as has already occurred in various parts of Africa. If that happens we must not complain, for it the Community fails to perform the function which naturally falls to it, we must not then be surprised if history takes a different irreversible course.

A similar comment — which I have no time to go into — could be made about the Middle East, where events of immense importance have certainly not been matched by an adequate response from Europe in support of the moves towards peace. With regard to Iran, I share the amazement expressed by Mr Bertrand and support this request for an explanation of the European Community's attitude to the succession of dramatic events in that country. However, may I put a question, in this case not to the President-in-Office but to Mr Bertrand: Is it right to ask oneself which side the European Community is on? Ladies and Gentlemen, we must undoubtedly adopt a position, but I tell you frankly that if, in the name of human rights, we call for an end to trials of dissidents in the Eastern Bloc, we cannot then remain indifferent to the thousands of people being killed in other countries for the sake of Realpolitik. We must not ask on which side we should be, because this would show that our attitude to human rights is mere hypocrisy or — if that word is too offensive — a political device and not a defence of universal principles and values.

I do not ask what is the attitude of the European Community to the events in Iran. I deplore and criticize the fact that the European Economic Community has not adopted a clear, precise and unequivocal stance on the massacre which has been going on in Iran since September and which has already claimed thousands of lives. These citizens, who have risen in response to appeals from religion leaders — whose views we not of course share — nevertheless deserve our full moral political support, if the Community wishes to take a long-term view and consider the verdict of history rather than the more immediate political issues and narrower interests.

In conclusion, Mr President, we think we detect in the world, and above all in the Third World, a strong desire for links with the European Community. There is a hope that the Community may make an economic and political contribution to the diversification of international relations — a hope that the Community may constitute a new alternative alongside the two great blocs between which the world is divided. In this connection I appreciated the fullness of Mr Genscher's treatment of South-East Asian questions. I think that in view of the Japanese and United States investment in the South-East Asian area, on the economic side, and in view of the succession of visits by Vietnamese, Cambodian, Japanese, Soviet and Chinese ministers to countries in South-East Asia, on the political side, it would be inappropriate for the European Community once more to step aside and allow others to lay down the rules. There is a desire on the part of the peoples of the Third World to seek a new alternative, so there is a need for a European presence. But this presence, or the need to speak with a single voice, does not mean that we should adopt unilateral positions or indeed remain silent — sometimes the call for a single voice seems in practice to amount to a call for a single silence. We feel that political cooperation should mean a greater and more decisive Community presence in the regions, areas and problems which are not directly related to Community activity — a greater and more decisive presence on the basis of a more clearly defined role, which can only be the role of an autonomous Community — expressing its vocation and its identity in a readiness to face the problems, expectations and hopes of the world. For this reason too, indeed especially for this reason, we Italian Communists support the enlargement of the European Economic Community to take in the three countries which have applied for membership, in the hope that this enlargement may give the European Community greater weight in trying to bring about a real democratization of international relations.

**Mr Brugha.** — Mr President, speaking on behalf of the European Progressive Democrats but also as a Member of the Irish Parliament, I bring to the debate the views on European problems formed in an Irish

**Brugha**

environment and from an Irish point of view. Our history is somewhat different from that of most other Member States of the Community. I believe that in this way we can contribute to thinking, review and discussion on European problems.

I listened to the discussion this morning and to the change in rhythm that took place, but I do not have any comments other than to say that I appreciate that there must be limitations to open debate on on-going situations relating to political cooperation around the world. I welcome the speech by the President-in-Office, Mr Genscher, as a general review, and I appreciate that he cannot say everything he might wish to say. I would also like to welcome the sentiment he expressed when he said Europeans have given up fighting wars and can now fight for peace. I think that is a worthwhile role for Europe. On our side, I think that the value of these discussions is that the positive voice of the European Parliament should be heard on the issues that face our community and concern people outside and what may happen to them. That voice should have the effect of strengthening the President-in-Office of the Council and the Council in their efforts to achieve political cooperation and in trying to help find a peaceful settlement of disputes outside the Community.

The aims and ideals of our charter, the European Treaty, can I believe be achieved if we are successful in certain vital areas of our Community. For example, economic and monetary cooperation and political cooperation and further development in that area are dependent on our being successful in managing our own Community. That is why I would say that the establishment of a stable monetary zone, if in present conditions an agreement can be found on it, can be a major step forward for the Community.

I think that success of this kind can breed success, and such an achievement would be the best guarantee of progress in other areas, such as in political cooperation. The continuance of the process of consultation set out by the President-in-Office and of coordination of the foreign policies of the nine Member-States is, I think, a welcome and positive development. Already I sense that there are indications that a Europe speaking with one voice can be a powerful contributor to peace, stability and justice.

In 1980 in Madrid there will take place the follow-up meeting to Belgrade and Helsinki, and while there is disappointment, very clear disappointment, on the human rights front, this vital issue involving the rights and dignity of the human being must be kept to the forefront in all international discussions between our Community and other states.

Whether violations of human rights take place in Africa, in South America, as for example in Argentina, or in the East and Soviet Russia, they are violations, and it is deliberate violations especially by the powerful Russian State, against their own citizens

which continues to harm relationships and cause distrust and suspicion between governments and states. The issue of human rights should not, in my view, be made a condition of trade agreements. But Community negotiators and spokesmen should be free at all times, and encouraged, to raise these questions in the name of the freedom-loving people of our Community. If wrong is being done, we should should never try to sweep it under the carpet for reasons of expediency or whatever, no matter who may be wrong.

The Camp David agreement is, I believe, a first step towards the building of peace in that area. But in that particular case, those involved on all sides, Israel, the Arab states and the Palestinians, should learn from the mistakes of history lest similar errors should overtake them. I think, Mr President, that we are far enough away from the Treaty of Versailles of 60 years ago to be able to understand now that that agreement contained within it the seeds of future dispute and violence. I doubt if that can be denied, and we are all aware of the consequences of the errors of those earlier years. Israel in particular must understand, in relation to the Palestinian settlement areas, that any settlement must have in it the basic elements of justice and the reasonable hope that it can work, that those involved can honourably, without humiliation, work it. We must keep repeating that all states in the Mediterranean area of dispute should come together and settle their problems. They have nothing to gain from continued dispute. Only eventual irreparable loss and destruction can result, including the possible downfall of governments because they fail to respond to the need of their own peoples for peace. In the African area, I believe we must continue to reject discrimination whether in South Africa, Rhodesia, Namibia or any other place. You cannot have peace, security and progress when people are treated as unequal and where there is no planned programme of restoration of rights, including the free right to vote and elect governments. In the case of Namibia, in particular, I believe South Africa must be prevailed on to understand that only a framework founded on justice and the right to self-government will give South Africa itself hope for its own future.

**President.** — I call Mr Blumenfeld.

**Mr Blumenfeld.** — (D) Mr President, I intend to confine my remarks to the subject of European political cooperation, since that is what we have been debating this morning. But I am forced to observe that both the statement made by the President-in-Office and the debate have demonstrated the unreality and indeed the artificiality of the distinction between European political cooperation and the other work of the Council of Ministers that member governments still insist on observing. The two, in fact, go hand in glove.

## Blumenfeld

Mr President-in-Office you referred to Schloss Gymnich, where you recently chaired a discussion on Parliament's resolution on European political cooperation. I would hope that the Political Affairs Committee, at the forthcoming November colloquy in Bonn, will be given at least as much information as we have been getting from the press and the other media about the confidential proceedings of the foreign ministers' meeting. I should like to take up what Lord Bethell said about the activity and methods of the institutions of European political cooperation.

May I remind the President-in-Office that the Parliament resolution which I mentioned has been with the Council of Ministers since early this year, and that the wishes of Parliament have been repeatedly presented to them — I have corresponded with the President-in-Office on matter this — and Parliament has still not received any response at all from the Council of Ministers, and it is the end of the year now. For instance, Parliament requested a written report from the foreign ministers, so that Members could study it closely before their annual debate. The aim was to have better information so that there could be a more fruitful debate of superior quality than is at present the case when we are given an oral statement, which, as we have seen, leaves no time for a well-prepared debate. Both the Danish President-in-Office and the present German President-in-Office have expressed keen interest in this idea. On Parliament's behalf, I should particularly like to thank them both for that. Although there was clearly no progress made on this point at Schloss Gymnich, it is nevertheless to be hoped, Mr President-in-Office, that at the end of your Presidency, you and your Danish counterpart and others will reach a decision as soon as possible. That is something Parliament would really welcome. The written report and — until there is a written report — every oral report ought to contain detailed and up-to-date information on the meetings and activities of the foreign ministers of the Nine, including activities over and above formal quarterly meetings. I can appreciate that the foreign ministers are unwilling to make any public statements about what is said at these informal meetings, although they naturally do give guarded hints. But the members of the Political Affairs Committee believe it to be of paramount importance that, at their private meetings with the foreign ministers, they should have the privilege of confidential information on the content of foreign ministers' talks.

This is particularly true of all matters with which the European Parliament itself is also concerned, and, Mr President-in-Office, since both you and your predecessors have repeatedly told us that these private gatherings in Schloss Gymnich and elsewhere are particularly valuable for you and your fellow foreign ministers — whatever your reasons — and since they have a high priority in your political thinking, it is only

natural that Parliament should like to have the benefit of your wisdom.

Thirdly, Parliament would welcome an assurance from the foreign ministers that they will in future invite the Commission to participate fully at all meetings on political cooperation. I consider that this is all the more necessary, Mr Genscher, as the various Commissioners travel around the world making political statements without Parliament having had any chance to ascertain whether such statements have previously been checked with the foreign ministers. There is some truth in what Lord Bethell said. What we are witnessing here is the onset of anarchy.

The European Parliament feels completely debarred from all this thinking and activity. But on the eve of the direct elections we want to be part of it. Please do not take this to be just the view of one Member of this House, but rather as the view of the vast majority in Parliament. I would also be pleased — and we said this in our report — to have an undertaking that the foreign ministers will make a thorough study of the political security aspects of negotiations with third countries and reach agreement on this before the Council of Ministers empowers the Commission to open negotiations. This ties in with the point I was making when I said that Commissioners should not go careering around, but that this activity should be governed by guidelines and based on the involvement of Parliament, possibly even with a general policy debate in Parliament.

Mr President-in-Office, we should welcome a statement to the effect that foreign ministers are in basic agreement with the European Parliament's occasionally suggesting items for the agenda at meetings and discussions on European political cooperation, although we fully realize that these suggestions cannot of course be binding on the foreign ministers.

Coming back to Schloss Gymnich, I would particularly like to thank the President-in-Office again for the efforts that he and most of the government representatives of the Nine made there to reach agreement on decisions implementing the proposals contained in Parliament's resolution on European political cooperation. But I would like to express my regret that a small though significant minority of governments of Member States prevented any positive and worthwhile decision on Parliament's resolution. We have been well-acquainted with France's position for some time, but it is surprising — and somewhat strange — that although Mr Callaghan and his Foreign Minister, Dr Owen, have issued statements — they did so in the past, at any rate — fully supporting European political cooperation, the British Government is now moving towards the French Government's negative position on this. Perhaps it is European political cooperation itself that frightens the present British Government, but rather what is for them the intolerable pros-

**Blumenfeld**

pect of the democratically-elected European Parliament exerting greater influence in the field of European political cooperation.

In conclusion, Mr President, I would just like to make two comments on what the President-in-Office said about the negotiations with the Mediterranean countries. First of all, Mr President-in-Office, — and one of my fellow Members has already said this — I should like to know how you can ensure that, when Greece is acceding to the European Community, a country of such importance to us as Turkey can be kept informed on questions of European political cooperation and not be barred from a share in Europe and thereby also in NATO. I will only say that you are well aware of what this question entails. There used to be a process by which a certain balance was maintained, but that will no longer be true. Not merely Cyprus, but also the problems of the Aegean, are highly explosive issues for the European Community, and for European cohesion, not only for the Europe of the Nine but also for the Europe of NATO.

As far as the Euro-Arab Dialogue is concerned, I should like to know what your objectives are. The Commission should possibly continue with its discussions at technical level, but one cannot ignore the fact that because of the Camp David and Washington negotiations — which we all hope will bring peace between Egypt and Israel in the next few days or weeks — there will be substantial changes which will also affect the Euro-Arab Dialogue. We cannot proceed as though all of this lacked a political dimension, and this is something on which I should appreciate some response from you.

**President.** — I call Mr Johnston on a point of order.

**Mr Johnston.** — Is there anything that you can do to encourage a better attendance in this Parliament? It really is a parliamentary matter. We complain often enough that Presidents-in-Office of the Council, and members of the Council, do not come, and our attendance — and this applies to my own group as well as others — is deplorable. I really think that we should endeavour to do something about it.

**President.** — Thank you for drawing attention to this. I agree with you that this debate ought certainly to interest everybody.

I call Lord Bessborough.

**Lord Bessborough.** — Mr President, I would like to congratulate the President-in-Office on his very wide survey of the nine Member States' relations with the rest of the world, the global partnership as he described it, and thank him very much for a great deal of what he had to report. However, I was a little disappointed that he did not mention our relations with the People's Republic of China. In my view, perhaps the greatest lost opportunity for the European Community is emerging in the failure of the Commis-

sion to implement effectively the trade agreement with that country; and, again in my view, this failure is a reflection of the inadequacy of political cooperation between Commission, Council and Parliament. And I need hardly say that I strongly support my friend Mr Blumenfeld and my noble friend Lord Bethell on the need for a political secretariat.

What happened in the case of China is this: Commissioner Haferkamp and President Andersen of Denmark met the competent committee of Parliament in joint session on 14 March this year in order to inform us of the already initialled trade agreement between the Community and the People's Republic. The agreement was subsequently ratified by both sides, and I believe it can be considered as a political milestone in the development of a lasting relationship between more than one-third of the people in the world. Now the Luns-Westerterp procedure, as the President no doubt knows, was admirably described in the report of my late leader Sir Peter Kirk and a report which was later taken on by my noble friend Lord Reay on interinstitutional relations. Now on pages 46 and 47 of the report, this procedure requires the Commission to inform Parliament of the evolution of negotiations with a third country in working out a trade agreement. The Council is required to inform Parliament when substantive negotiations have been completed and before an agreement is signed. Parliament was in fact informed by the Commission and Council of the terms of the Community's trade agreement at the eleventh hour, so that we in this chamber were unable to influence its content. The Müller-Hermann report, an admirable report, on the agreement was debated after the initialled agreement was submitted to Parliament — too late, as I say, to influence negotiations.

Furthermore, there was no attempt by the Commission to encourage Parliament to hold a policy debate in order to test opinion on the development of Community policy towards China.

Commissioner Haferkamp's, indifference (I can only describe it as such) to the Parliament's Committee on External Affairs, is, I regret to say, wellknown, and such political orientation as Parliament sought to give appears, unfortunately, to have been mostly ignored by the Commissioner. The prospects of the Community's relations with China were debated in July last year, when we considered the perspicacious report of Mr Kaspereit. That report remains valid today. The fact that Parliament debated the future economic relationship with China reflects the initiative of Mr Kasperit and his own committee. It was his own initiative and the debate was not based on any Commission proposals. The second opportunity to debate the matter arose in April this year, when Parliament discussed my oral question on the implementation of the agreement. Commissioner Haferkamp did reply to this debate, but he seems to have ignored its tenor by his actions.

### Lord Bessborough

Mr President, Community firms are already in competition with Japanese, and soon will be with United States' firms, to assist Chinese enterprises in developing each industrial sector of China's very ambitious 10-year plan. If the presidency will examine the Japan-China trade agreement, as I am sure the President must have done, the contrast between that business-like agreement and that achieved by the Commission is, I can only say, almost comic, almost tragic: comic and tragic because speakers in this Parliament as well as myself, called for provisions in the Community's agreement which then appeared nine months later in the Japan-China agreement. Doubly tragic because business opportunities are being lost as a result of a lack of understanding and imagination by the Commissioner concerned. We in the Community must have greater political cooperation in such a vast field as this, as well as in other, perhaps lesser ones. I think the Portuguese President inspired us in this during his magnificent address to us on Monday. Scarcely a day passes without announcements of larger contracts for Japanese firms in China. Community firms also benefit from relatively peripheral opportunities. The President-in-Office himself will no doubt bear in mind that the excellent major contract with a German firm to supply a steel plant with a throughput of 10 million tonnes annually represents only one-seventh or one-eighth of the opportunities for new steel plants in China. Well, is the President-in-Office content to allow the remainder to be contracted, by default of Community organization, to Japanese or American firms?

Mr President, a start should be made with the Community's nationalized industries, and possibly with national banks, in convening the working-parties which I have always advocated in order to implement the agreement. The Community has an opportunity to resolve our recessionary problems, which are considerable and which affect key industries, by satisfying the vast, exacting and precise needs of China. Many business leaders have told me that they look to the Community to set the pace. The troubled boards of major Community firms are expecting a lead from the Commission. When will the Commission give this lead?

Mr President, from what I have said, I am sure you will agree that there is a need for more coherent thinking in political cooperation between the three institutions in regard to agreements with third countries. The Luns-Westertep procedure has not, in my view, been effectively employed. It is a procedure requiring further fine tuning. We shall, Mr President, disappoint the peoples of Europe if we are unable to be sensitive to their needs, particularly the needs of firms which employ them.

*(Applause)*

**President.** — I call Mr Bordu.

**Mr Bordu.** — *(F)* Mr President, the assessment presented by Mr Genscher confirms that efforts are being concentrated exclusively on the integration of European policies. I shall therefore deal mainly with this problem.

This assessment illustrates the essence of the statement by Mr Everling, Germany's Mr Europe, that the Community is continually falling at the hurdle of the existing limits, beyond which it becomes necessary to transform the character of the Community in the direction of supranationalism and of a renunciation of their own sovereignty by Member States.

For my part, I would say that the enlargement of the Community must be seen in this context, for it has become the trump card of integration. Enlargement is the expression of a will to carry out a political act which follows and is the prelude to further political acts. For example, it is an easy pretext for questioning the unanimity rule. As French Communists, we cannot subscribe to this idea, because that rule can guarantee a certain sovereignty to any countries which may need to avail themselves of it. Enlargement is also a pretext for working towards a European military defence system integrated into NATO, as Mr Vredeling recently made clear. We must tell you clearly that this plan can only lead to a revival of the cold war at a time when the peoples of Europe are striving towards peace. If we look for the benefits that enlargement will bring for the workers of this new Europe, we cannot find any, except those which result from useful and widespread cooperation, for which Community enlargement is not an essential condition. For our part, like Mr Genscher, we do not underestimate what has been achieved by the progress of integration. It is very real in the economic and social fields, and becomes obvious with the progress made in foreign policy. But it is that which worries us. Take, for example, the national parliaments — at any rate the French National Assembly does not debate France's European policy. That parliament is in fact deprived of its essential rights, especially if one bears in mind that foreign policy is already a matter for the Head of State alone. Supranationalism, which would only make this situation worse, leads in effect to the centralization of powers at Community level, a centralization which parallels the effective centralization of powers in the Member States. Supranationalism is not conducive to the defence of the freedom of nations, nor of that of the regions, nor of that of the villages and towns in each of our countries.

Integration, the backcloth of Mr Genscher's remarks, threatens the forms of democracy chosen by the European peoples, as well as the evaluation of democracy in each country, for there can be no standard pattern for democracy, even in Europe.

This gives rise to problems concerning human rights and freedoms. We saw this when various Heads of State decided to interfere openly with the popular

**Bordu**

sovereignty of France when that country was about to lay the foundations for a new policy last March. This interference was not without result. But frankly, in a Europe integrated in the way proposed, what would be the behaviour of these countries, which would then be more at liberty than ever to think they can intervene as if in an occupied country? I say this without underestimating the capacity and the will of the peoples to refuse to yield to such pressures.

Mr Genscher, as is his right, is attentive to the wishes of the United States with regard to all Community policies. There is an obvious danger here of an increasing submission on the part of the Community, given the existing balance of forces. I hope that some of the omissions from the statement have nothing to do with this perspective. I would add, moreover, that we are in no way embarrassed by mention here of the Soviet Union and of certain events there. We cannot accept a selective attitude to human rights according to the countries concerned.

Human rights are universal rights, and they must be seen in universal terms. A man is a man.

What is one to make of the remarks of Mr Everling, whom I have already quoted, and which amount in practice to an attempt to retain the time-honoured principles of German policy and apply them to the Community after skilful adaptation?

Do not think for a moment that I do not respect the decisions of the West German electors who, through their votes, are responsible for a policy which concerns them. However, I cannot for a moment abide the idea that certain current practices in West Germany may one day be extended to the eight other countries, and in particular to France — I am thinking for example of the banning from certain jobs of certain categories of people. We would be wrong to underestimate this discriminatory practice, which threatens human rights and freedoms and which, in its official aspects, if not in an established practice, can become contagious.

The policy of integration carries these potential risks, and this leads me, Mr Genscher, to put a few questions to you:

- On enlargement: By involving the applicant countries in political cooperation before their accession, are you trying to present the Member States with a *fait accompli*?
- On African policy (with special reference to Zaire): On a humanitarian pretext, the Nine approved the action of one of their number. Does this not constitute interference, given that we can see its practical consequences, the final solution will have to be a political one.
- On South Africa and Rhodesia: You are right to have regard for declarations of principle, and we approve of them; but it must be borne in mind that more than 500 European companies have violated the United

Nations sanctions regulations, and that some of them (British Petroleum, to name but one) have government representatives on their boards.

- On Iran: What steps has the Community taken to condemn the bloody repression which resulted from the Shah's decisions at a time when one of the Heads of State of this Community, in unison with President Carter, was assuring the Shah of his support.
- On Nicaragua (this is to some extent a subsidiary question, but it takes account of Community policy): Thousands were killed in that country with the tacit agreement of the United States; as I see it, the Community thought it best not to intervene.

In essence, then, the assessment presented confirms us in the conviction that integration is harmful to the Europe of the workers, although not to that of the multinational companies. We are strengthened in our belief that only voluntary cooperation among the various countries — certainly difficult, but is integration easy? — can allow peoples and States to retain their free will. For us cooperation remains the only way to avoid the countries least able to resist the super-powers becoming dependent on them, and that is why we are convinced supporters of widespread cooperation on a European and world scale.

**President.** — I call Mr Spicer.

**Mr Spicer.** — Mr President, I am very conscious of your earlier strictures and I shall try 'if I possibly can' to move into shortland. I am certain that the President-in-Office will appreciate our being as brief as we possibly can. I wonder if I could just raise two particular points with you.

First of all the problem of Turkey has been mentioned. I have the honour of being the rapporteur of the Parliamentary Committee of the EEC-Turkey Association and I should like to support in the strongest possible way what has been said by Mr Blumenfeld — and indeed if Mr Jahn were speaking he would say exactly the same. We are all desperately concerned at the way in which Turkey is moving away from the Community. It really will just not do to say that we will give them more information. They are fearful. It may well be that they have no reason to be fearful, but they are fearful, and unless we can come up with some new form of political consultation which takes account of their views, then I personally believe that the chances of Turkey remaining in the Association in the years ahead are very slight indeed. Everybody in Turkey of any consequence, politicians, economists, all know that it is right for Turkey to be linked to the Community. But they are being pushed and pulled by public opinion in Turkey, and you know very well, Sir, how desperately insecure the situation in Turkey is. All we would ask you to do is to use every possible means to find a solution that will win some support from the Turkish Government and people.

## Spicer

We have just had our first meeting for two years of the EEC-Turkey Parliamentary Committee in London, and I feel we got off to a very bad start indeed. Through no fault of his own, the acting President-in-Office was an hour late for that meeting. There was no Commissioner present, something we all regretted very much indeed. The whole atmosphere at the beginning of that meeting was very sour and I think our Turkish friends not only thought but said in the meeting that they were being treated with undue contempt by the Community. We all know that was not so, but that was the impression given.

May I now turn briefly to southern Africa. I have listened to you and to your predecessor, Mr Andersen, talking about southern Africa. Of course we would all like a perfect world. But you know and I know that to talk about democracy in African terms is pie in the sky. There can be no such thing. For my part, I would ask you this. What do we really want for Namibia and for Zimbabwe? Do we want one man one vote once, or do we want to make the best of a bad job, particularly in Zimbabwe? I echo the fears expressed by my friend Lord Bethell when he said that it seems that the Council's opinion is being formed by the views put forward by Dr Owen. Those views are not the views of our group. I believe that throughout the Community there is a growing fear that if we hold firmly to the line of the Anglo-American settlement we will be in trouble.

May I now turn to South Africa. When I was in South Africa recently with Mr Johnston and other Members of this House, people in opposition and throughout South Africa said to us, look we agree with a stick-and-carrot policy, but for heavens sake let us occasionally see a bit of the carrot, because whatever we do in South Africa, however far we move towards you we only see the stick, particularly in relation to Namibia. I do not know the background of the five-nation approach to Namibia, but certainly it seems to me that if you agree to leave out the issue of Walvis Bay and then reintroduce it at a later date, you are going to push the South Africans back into the lager.

Many people in this House may wish to see that happen. I personally do not. I believe that the future of Africa depends on cooperation between South Africa and black Africa to the North. And in many cases, although we never hear about it, this is already happening. Mozambique gets help from South Africa, Zambia gets help from South Africa and certainly Namibia could not exist without the help she is getting and will continue to get in transportation and other areas.

It may have been brought to your attention but I suggested in a letter to *The Times* that if we are really thinking as partners within the EEC, then surely in these vital and crucial areas, particularly in Namibia, we should be thinking in terms of definite Community involvement. I understand fully the problems of German involvement in a UN force. But if we in our Community could come together, if we could go to the

United Nations and say, this is not a German, a British, an Italian or a French contingent. If we could just say, here we have the EEC with its tremendous involvement in Africa, its almost total reliance upon the raw materials that it gets from Africa. We will put in the field a force at your disposal to work for peace and stability in Namibia.

Now, it may be that the time for that is past. It may be that what we will see is interim elections taking place, that we or that South Africans will close the door. It does not matter who closes the door, the door should not be closed. But if there is any way in which you, Sir, in the few remaining weeks that you have at your disposal as President-in-Office, can do anything at all to find any solution to this problem that would stop this inevitable slide in southern Africa towards total confrontation, then we will be eternally grateful to you.

**President.** — I call Mr Mitchell.

**Mr Mitchell.** — Mr President, I very much welcome this debate on political cooperation because, for me and a number of my colleagues, Europe is primarily a political entity. Like Mr Johnston, I deplore the poor attendance at this debate. We spend a lot of time in this Chamber discussing what I would describe as economic minutiae. If this had been a debate on some fiddling little Commission proposal on wine, the place would have been full. It is deplorable that attendance at a debate of this nature, on a major European issue, should be so poor. I hope that the second act of the directly elected Parliament, to which Mr Genscher referred, will be to recommend that we change the name of the Community from the European Economic Community to the European Community.

Some people may be wondering what the first act of the European Parliament should be. It has nothing at all to do with this debate, but as Mr Genscher is here — he probably will not be here again — and he is Foreign Minister of a country, I hope that the first act of the new Parliament will be to tell the Foreign Ministers of all the nine Member States that it is no longer prepared to put up with the current nonsense of moving around from one place to another all over the country. It has got nothing to do with this debate, but as Mr Genscher is here, I hope he will take note of it.

Now, Mr Genscher gave us a very welcome list of developments in political cooperation. He gave us a list of areas in which there was agreement between Community countries. I just wonder if he would now give us a list of those areas in which there is no agreement so that we can compare the two.

Could I just put one or two questions? It is interesting that Mr Genscher reacted rather strongly to my colleague, Mr Dankert's comment on the ASEAN countries. Is there any agreement amongst the Nine about economic relations with these countries, and if not, what are the difficulties? My second question is, what is happening to the North-South Dialogue, which has not



## Mitchell

yet been mentioned here? Is there any agreement among the Nine on a common approach to the North-South Dialogue? The third point, which has already been raised in a number of cases, concerns Iran. Has there been any discussion of Iran? And could I put one specific question about Iran? Very recently, my own Prime Minister made a statement about Iran which, though very controversial, was one with which I happened to agree, even though other people disagreed strongly. Was there prior consultation with the other Foreign Ministers of the Nine? That is a fairly specific question which you may not be able to answer. I accept that.

I also want to emphasize a point which has been mentioned before, namely, what is happening in Unesco? I entirely agree and the Socialist Group entirely agrees that we should make every effort to ensure that the motions passed at the Unesco Conference support freedom of expression in the mass media. What I would really like to know is, is it just the Soviet bloc plus a few African and Asian countries who oppose the motions? What is the strength of the Soviet inspired, Eastern European opposition to the motion that we are proposing?

Regarding other points raised in the debate, I am tempted to say to Mr Johnston that for a good European, his sense of geography is defective. I think he temporarily forgot that he was in Strasbourg and not in London when he made some internal remarks which I shall pass over in silence. But just to say two things to Lord Bethell and Mr Spicer. I can assure them both that the Socialist Group in Parliament is absolutely united in its conviction that there can be no settlement in Rhodesia which does not involve all the parties concerned. And I want to emphasize absolutely clearly that the so-called internal settlement is a non-runner, because it excludes a number of people who are vitally interested in Rhodesia. We feel very strongly, as Mr Genscher said earlier on, that the only way forward is via the Anglo-American initiative.

Finally, Mr President, on enlargement. I have visited Portugal and Spain and when you talk to people there, the main reason for wanting to join the Community is political not economic. They have recently emerged from dictatorships. They want to maintain their new-found democracy, and they believe very sincerely, and I am sure they are right, that the best way of maintaining their democratic institutions is by joining the Community. Now I hope that we as a Community will be big enough to encourage them in every way possible. One of the criticisms I heard when I was fighting a referendum campaign in Britain and urging people to vote 'yes' was that the Community is a rich man's club. There is some justification for it. I think the real test will be our attitude towards the accession of the poorer countries, Greece, Spain and Portugal. If we put too many difficulties in their way, if we are not prepared to change the rules of our club in order to admit them, we shall have

failed. That I think will be the major test of the genuineness of political cooperation in this Community. Thank you, Mr President.

**President.** — I call Mr Genscher.

**Mr Genscher, President-in-Office of the Foreign Ministers.** — (D) Mr President, I have taken down a long list of questions but I will not answer them in the order they came. Some of the speakers are in any case no longer present and everyone is entitled to hear my replies.

At the beginning of his speech, Mr Bertrand raised a fundamental question of concern to any President-in-Office, no matter who he should be, namely the question of which hat he is wearing here, whether it is the hat of the President of the Council of Ministers or the hat of the chairman at meetings on political cooperation or the hat of his country's foreign minister. Personally, I should not like to insist on too fine a distinction between them. Were I to do so, my replies would have to be extraordinarily dull because then I could only give you answers on agreed statements of position at these meetings. One can only have lively debates if the minister makes it possible for emerging trends to be discerned in areas where there is as yet no consensus. Then there are situations where the minister is addressed as the foreign minister of his own country, for instance by the representative of the French Communist Party who accused Germany of eroding civil rights. On behalf of the Federal Republic of Germany, I categorically reject this preposterous accusation ...

(*Applause*)

... and I would recommend the honourable Member, if he is concerned about basic human liberties and civil rights, to have a look at parts of the world with ideologies more akin to his own, and where there is considerable scope for him.

(*Loud applause*)

Ladies and gentlemen, I personally concur with Mr Blumenfeld's view that it is about time we stopped making such a hard-and-fast distinction between European political cooperation and Community matters. In actual fact, we do deal with European political cooperation at meetings of the Council of Ministers, and the two are closely interlocked. This really is an 'old hat' we ought to stop wearing, which is what Mr Bertrand meant. All the same, when I have to answer questions — and particularly when I have to make a report — I cannot of course deal with subjects which have obviously nothing to do with European political cooperation. I am supposed to be speaking about European political cooperation, and although subjects like the North-South dialogue do involve a political aspect, the Community position on North-South issues is one which should be dealt with as a Community matter in the Council of Ministers, and that is the reason I have not spoken about it here.

**Genscher**

The Unesco talks are particularly important in my opinion. There are two quite different issues here, which we have to consider from our basic position as members of the European Community. First of all we have the legitimate demand by Third World countries that they should receive aid giving them access to media on a world-wide scale. I view as intolerable the situation in which information on Third World countries can for the most part only be obtained through exposure to media from the Western or Eastern industrialized countries. I consider it legitimate for Third World countries to demand that public opinion should be informed on a world-wide basis, through their own media and their own agencies. There have even been meetings of the Organization of African Unity where there was no news agency from the host-country, and the reporting was through a foreign news agency. They should all be reporting together, of course. I turn now to my second point and here we have to be particularly vigilant. There is no way that you can get objective reporting on a world-wide scale by saying, 'There should be government control and the governments should be responsible. 'Ladies and gentlemen, that would be the reverse of objective reporting — quite apart from the fact that 'objectivity' is subject to widely varying interpretation. Every body views objectivity subjectively. That is as old as the hills. We must therefore try to ensure that there is wider coverage, and by dint of wider coverage — i.e. through the participation of developing countries in reporting world events — reduce bias in reports and commentaries on news items. This is where the countries of the European Community have a major task to perform, getting that message across actively supporting it and helping in providing the funds. As far as maintaining the freedom of the press is concerned, we must never budge an inch, even if the majority were against us. There can be no shoddy compromise on this score.

The question of economic relations with South Africa was raised. The foreign ministers of the European Community have never left any doubt about the need to put a stop to apartheid. The purpose of the code of conduct is to ensure that the principles behind equal rights are put into practice, at least in areas where we have some influence but, ladies and gentlemen, breaking off economic relations with South Africa — and this is something which I would ask each and every one of you to think over — would first of all hit the poorest of the poor in South Africa, the black workers.

I recall something which a leading German trade unionist said on returning from talks with black workers' representatives in South Africa. What he said was, 'For God's sake don't do that! That will hit the wrong people.' Moreover, economic cooperation has always been and still is a means of achieving political aims — and our aim is the abolition of apartheid.

A final point, ladies and gentlemen. If we wish to make the question of whether countries of the European

Community should maintain economic relations with a particular country dependent on its observance of human rights, I must point out that the European Community would incur a substantial fall-off in foreign trade as a result. That is an objective comment, and I have no wish to be more specific, since it is not my intention to jeopardize our relations with other countries.

I have not voiced any opinion on Iran quite simply because, although this question was dealt with by the foreign ministers, they have no agreed statement on the issue. I have no authority to speak for the nine foreign ministers on this question ...

**Mr Fellermaier.** — (D) Do you think that such a statement would be desirable?

**Mr Genscher.** — (D) ... — I would consider it to be of vital importance, Mr Fellermaier. Now I want to turn my attention to events in Namibia. The question here is that of our stance on the forthcoming elections in Namibia, which the South African Government says are a domestic matter. In the common statement of the five Western foreign ministers — who are in wholehearted agreement with the other countries of the European Community on this issue — the elections which are about to be held there are described unambiguously as null and void. What we want is what the Security Council of the United Nations decided on the basis of the proposal made by the Five, i.e. elections under United Nations supervision. We would like Mr Atisari, to whom the Secretary-General of the United Nations has entrusted these matters, to follow up Mr Waldheim's plan and go to Windhoek as soon as possible to discuss the arrangements for these elections with the Administrator-General and we would also like to see units of United Nations troops stationed in Namibia and the numbers of South Africa troops reduced there, so that conditions can be created in which internal and external security will be assured, both when free elections are held and during the transition period.

On Rhodesia, I shall confine my remarks to what I said before, namely that we support the Anglo-American plan. One Member wanted to know our position on President Sadat's initiative and why we had remained silent in the early stages but issued a statement on Camp David. I must remind you that the foreign ministers issued the following statement on 22 November 1977:

The nine Ministers of Foreign Affairs, convinced that mistrust is one of the chief obstacles to a peaceful settlement of the Israeli-Arab conflict, share the hope engendered by the bold initiative of President Sadat and his historic meeting with the Israeli leaders. They hope that the unprecedented dialogue begun in Jerusalem will open the way to comprehensive negotiations leading to a just and lasting overall settlement taking account of the rights and concerns of all parties involved. It is a matter of urgency that genuine peace at last be achieved for all the peoples of the area, including the Palestinian people, on the basis of principles recognized by the international community and

## Genscher

embodied in particular in the declaration of the European Council of 29 June 1977. They express the hope that it will be possible in the near future to convene the Geneva Conference.

We later issued a further statement on the progress being achieved in the negotiations. Ladies and gentlemen) the countries of the European Community are not standing on the sidelines. They welcome progress in the Near East along the lines of the objectives embodied in the statement of 29 June 1977. The position is exactly as before and must remain so, because these objectives are the foundation on which peace must be built. Commenting on events and having some impact on them is conducive to peace. In my view, the countries of the European Community must try to ensure that the efforts made at Camp David will give rise to the kind of comprehensive and just solution which we insisted upon for all parties involved, showing that we, as Europeans, have never left it in any doubt that we have an interest in Arab unity. I believe that moves were made in this direction at the recent conference. Every Member State also has bilateral relations. Multilateral moves are afoot, but a public discussion of these would not be advisable — one would not want them to backfire — but as those of you who have been involved in the relevant colloquy will remember, I am quite prepared to be much more outspoken there and talk about issues of that sort.

Ladies and gentlemen, I now wish to turn to the question of cooperation with non-aligned countries and the grand plan for Africa. I voiced my views on this in my opening speech on assuming the Presidency. Our sole objective must be an Africa which is independent, an Africa devoid of spheres of influence, and devoid of power blocs created from outside, and an Africa in which the countries of Africa themselves make the decisions about their own economies, politics and societies. This is a right to which we also lay claim, and we cannot tell others how they ought to behave. We shall not do so, nor would we wish to do so.

We can suggest our own model for political, social and economic coexistence. The countries in Africa will take a look at other models. In doing so they will certainly also take into account how people live in our own countries and how they live elsewhere, and look at other systems, whether they are desired by or foisted on the citizens of the countries involved. We can state proudly that our system operates with the consent of our citizens — I am referring to the system in Europe — and here I am not only speaking for the Federal Republic of Germany. But we should beware of assuming that all the systems which we have tested should be transposed to Africa, lock, stock, and barrel — because there are special circumstances involved there. Each country must find its own system to suit its own conditions. That also applies to the question of how many African countries exist in which democracies as we understand them have emerged.

Ladies and gentlemen, I believe that we should respect the decisions of the peoples of Africa in the early stages of the development.

There is one thing which we can bequeath to African countries — I very much hope so at any rate — and that is that the peoples of Africa and of the whole world can be spared the anguish the peoples of Europe once felt when their nations were being born and having their frontiers drawn. If we give them the benefit of these experiences, we will have achieved a great deal. I agree with the speaker who said the three countries that wish to join the European Community — Greece, Spain and Portugal — do not regard their accession primarily as a matter of economic, but rather as a political decision. This is also entirely the view of the foreign ministers of the European Community, because the fact is that the forces of democracy in these countries have staked everything on Europe and if Europe were to dash their hopes and expectations democracy could become something very fragile in these countries. So instead of finding penny-pinching solutions to the problems which will undoubtedly arise on the accession of these countries, there must be a political decision to reinforce democracy in Europe and welcome these countries in the European Community.

Ladies and gentlemen, I now wish to turn to the question of the written report to be made to Parliament. I would have been happy to present a written report a fortnight ago, and if we had not begun with an introductory speech by the President-in-Office but rather with a debate on the matter of the written report, and I would have been glad if I had been able to follow on from there at the end, just as I am doing now. By that I mean that Mr Blumenfeld — I will put it like this — cannot have meant me when he referred to a significant minority who did not share that view. I am not quibbling with the word 'significant' in this context, but my quarrel is with the idea that I should be associated with that minority. I am, of course, in favour of a written report of this kind, but I do not despair of reaching an agreement some day and having the written report. In that event, the form the debate takes will be entirely different, and there will be no need for some of the criticism that has been made here. Criticism is part and parcel of democracy, but being President-in-Office is sometimes like going into a nearly empty church. Fire and brimstone rain down on him from the pulpit although it is not he who has stayed away. In this case the fiery words are not coming from the pulpit but from Parliament. I accept both this and any favourable comments in my official capacity and shall pass this on. European political cooperation is an important matter. We must not treat it as the poor relation, and I am convinced that it is inconceivable that European political cooperation, as I understand it, can continue to operate as it used to and that, rather, its organization and structures must be reinforced to give us the same manoeuvrability we already have in Community matters.

## Genschel

Ladies and gentlemen, I would like to end on that note, but in parting I would like to assure you — and thank goodness Mr Bertrand is not here any more — as I put on my fourth hat which he has not referred to yet, that you can count on me both personally and as a parliamentarian when it comes to increasing Parliament's say on European political cooperation.

*(Applause)*

**President.** — Mr President-in-Office, I would particularly like to thank you for the patience you have shown. I would also like to thank everyone who has taken part in this long debate, and especially the interpreters and all our other staff behind the scenes who have had to work through their lunch-break.

The proceedings will now be suspended until 3 p.m.

The House will rise.

*(The sitting was suspended at 2.20 p.m. and resumed at 3 p.m.)*

## IN THE CHAIR : MR COLOMBO

*President*

**President.** — The sitting is resumed.

## 6. Question Time

**President.** — The next item on the agenda is the second part of Question Time (Doc. 431/78).

We begin with the questions addressed to the Council.

I call Question No 36, by Mr Scott-Hopkins, for whom Mr Spicer is deputizing :

In view of the expanding increase in milk production in the Community, what steps does the Council intend to take to deal with this problem ?

and Question No 37, by Mr Howell :

Is the Council satisfied that adequate provision has been made for reducing milk surpluses at an early date ?

Since these two questions deal with the same subject they can be dealt with jointly.

**Mr von Dohnanyi, President-in-Office of the Council.** — (D) The Council is aware of the problems arising from the structural surpluses in the milk sector. In May of 1978 it adopted a number of measures designed to reduce production and promote sales, and instructed the Commission to submit a report on the situation in the milk market towards the beginning of the second half of 1978. This report has now appeared and is currently being considered by the competent Community authorities. It will also be submitted to the European Parliament. The report, which contains an overall account of the situation together with ideas for a solution of the problem of surpluses, draws attention to a continuing imbalance

in the milk market, characterized by a steady increase in production accompanied by stagnation in consumption. The main reasons for the higher output, which is basically due to increased production per cow and not to an increase in the number of animals, are felt to be firstly the attractive prices for milk, secondly, the unlimited guarantee system and thirdly, the limited possibilities for alternative production.

The possibilities for finding further outlets for the increased production are very limited since it is not only the Community market which is saturated, but to a large extent the world market too.

Clearly, the instruments available to the Community have not been adequate to rectify this imbalance in spite of the fact that considerable sums have already been spent, particularly with a view to promoting sales. In its report, the Commission has drawn up a number of working hypotheses and at the same time indicated the difficulties and limitations involved in the rationalization of a sector which accounts for almost 20 % of the Community's total agricultural end products. I am referring in particular to the major price gap between milk fat and protein on the one hand and the corresponding vegetable fat products on the other, the social and economic situations of many small undertakings which have hardly any alternatives to milk production, and finally the overall economic situation of the Community, in particular the high level of unemployment.

Against this background, the Commission has put forward a number of suggestions — which are not, I grant you as yet actual proposals — and the Council will give them very careful consideration.

However, for the reasons I have just described, I cannot say at this stage what specific steps the Council will in fact take to cope with the problems in the milk sector.

**Mr Spicer.** — We all realize how very serious the situation is in relation to overproduction of milk within the Community, but could I ask the acting President-in-Office for one specific undertaking : that, whatever proposals are put forward by the Commission for consideration ultimately by the Council, within those proposals account will be taken of the suitability of areas within the Community for the production of milk ? It will come as no surprise to you, Sir, that I happen to come from the best milk-producing area within the Community, and for us to be penalized in levy terms right the way across the board within the Community, irrespective of whether we can produce efficiently or not, would in my view be an absolute disaster.

**Mr von Dohnanyi.** — (D) Naturally, in all its deliberations the Council will take account of questions relating to the relative suitability of particular areas for

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milk production. However, I cannot say to what extent account will be taken of these particular considerations, as compared with the others I have mentioned.

**Mr Howell.** — May I say that I feel that the President-in-Office has not treated this matter with the urgency it deserves? We are in a situation of acute over-production, and some more positive action must be taken. We have been taking half-measures for the last five years, and we have now reached the situation where milk is overproduced to the tune of 18 % and increasing at the rate of 5 % per year and in some parts, Ireland for instance, the production is going up at the rate of 14 % per year. Now some more positive action must be taken. The President-in-Office has mentioned the recent report brought forward by the Commission, but the most important part of that report is that one of the alternatives to solving the problem is by the use of a quota mechanism. The German farmers' union is now supporting the quota mechanism, and can I urge him to insist that the Council give serious consideration to this matter, which so far they have declined to do?

**Mr von Dohnanyi.** — (D) The Council will naturally take account of all relevant considerations. However, I should like to repeat what I have just tried to point out on behalf of the Council, i.e. that we intend to give careful consideration to the ideas put forward by the Commission. I am sure you will understand, therefore, that I cannot at this stage say whether we will adopt any particular course of action from among those we are discussing here today. I can assure you, however, that we will devote considerable attention to all possible ways of cutting down overproduction.

**Mr L'Estrange.** — Is the President-in-Office aware that 70 % of the producers in Ireland are small family farmers with under 30 acres of land, that they have entered into large commitments and that interference now with quotas could have disastrous effects on those producers? Is he further aware that I believe that he should penalize those responsible for the increase, the large industrial farmers, and could he give me any guarantee that he will not interfere with the Irish family farm producers who are not responsible for the increase? If there is a 14 % increase in production in Ireland, surely he realizes it was from a very low base.

**Mr von Dohnanyi.** — (D) Naturally, regional problems must also be taken into account in connection with the common policy for combating surpluses. However, I should like to repeat what I said previously in reply to another question, namely that we must take advantage of the particular suitability of certain

areas for production since this is the whole point of the enlarged common market. I can nevertheless assure the honourable Member that the Council is familiar with the points he has made and will take account of them in any decision it reaches.

**Mr Hughes.** Will the President-in-Office also inform his colleagues and the Commission that the route taken of taxing margarine in order to increase the consumption of butter and/or, particularly with today's negotiations, the suggestion that we might tax soya imports from the United States as a means of ameliorating the milk problem is not likely to lead to any improvement in our international trading relations with the United States or the rest of the world?

**Mr von Dohnanyi.** — (D) We are aware of the points made by the honourable Member.

**Mr Corrie.** — Is the President-in-Office aware that because of the taxation policies in certain national States, EEC policies cannot in fact work, and that for instance in Great Britain the taxation levels make it impossible for any British farmer to go out of the dairy into the beef scheme? Can the Council look at this situation, and is there any way round it, because if we are going to reduce production we must reduce cow numbers?

**Mr von Dohnanyi.** — (D) We are indeed aware of this problem and I am grateful that it has been pointed out once more.

**President.** — I call Question No 38, by Mr Siegler-schmidt:

What conditions must be fulfilled or difficulties overcome in the Council's view, before the European Community can become party to the European Convention on Human Rights, and what steps does it feel must be taken to this end?

**Mr von Dohnanyi, President-in-Office of the Council.** — (D) The Council would remind the honourable Member of the Joint Declaration on Fundamental Rights by the European Parliament, the Council and the Commission of 5 April 1977 and of the Council's reply to Written Question No 128/77 by Mr Dondelinger on the scope of that Declaration.

As for the implications of accession by the Community to the Convention for the Protection of Human Rights and Fundamental Freedoms, the Council wishes to state that it has not hitherto had occasion to discuss the principle of such accession. The Commission has, in fact, not yet submitted any proposal on the matter.

**Mr Siegler-schmidt.** — (D) Would the Council be prepared to initiate preparatory discussions and

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studies regarding the questions I have brought up even before the Commission takes any initiative, which, in the light of what we know, does not appear to be totally out of the question?

**Mr von Dohnanyi.** — (D) Firstly, I should like to point out that it would be sensible for the Council to wait for the Commission to make the first move in this matter. However, as you know, the Commission is probably dealing with the problem too and I must remind you that during a discussion on this question at a symposium in Florence a few weeks ago, this point was touched upon by both the Commission and myself as President-in-Office of the Council. I think it is clear from what I and the Commission said on this occasion that the Council would wholeheartedly welcome proposals on this subject.

**Mr Dalyell.** — Would the President-in-Office give a provisional undertaking to look seriously at the possible abuse of the Commission on Human Rights by those who bring cases to them to further their own political causes? And would he look at the test case of the Scottish teachers, where, if a *prima facie* case was established, this would be extremely damaging to a group of people, namely the teachers in Scotland, who were not professionally represented at what is a confidential hearing? I would not ask for any impromptu undertaking, other than that the Council should consider how the Commission on Human Rights is working, something which, I think, worries Mr Fawcett and Mr Sperduti as much as it worries some of the rest of us.

**Mr von Dohnanyi.** — (D) I do not know to what extent the questions you have just brought up directly concern the Council, but I will take another look at the text of your remarks and see to what extent the Council is competent to deal with these matters. I see that you are in agreement with this.

**Sir Geoffrey de Freitas.** — The Minister referred to the meeting in Florence. Can he say what the opinion of the Council is on proposals concerning a supplementary protocol in this field?

**Mr von Dohnanyi.** — (D) Since the Council has not yet discussed this matter, I am naturally unable to adopt a position on its behalf. However, I should like to repeat what I said to Mr Sieglerschmidt, namely that we would welcome a rational development in the direction indicated and were interested to hear that the Commission was also apparently considering this matter. Naturally, however, I cannot say in advance what the Council will decide.

**Mr Jahn.** — (D) Do you not think that accession of the European Community to the European Commission of Human Rights would be in the interests of

human rights within the Community as a whole, particularly in connection with questions which, even if they only arise in a bilateral context, have general consequences and validity for all the Member States?

**Mr von Dohnanyi.** — (D) This is perfectly possible, but if I were to give you a simple yes or no answer this would be tantamount to anticipating the Council's decision.

**Mrs Dahlerup.** — (DK) What does the Council regard as a realistic timetable for the accession by the Community to the Convention on Human Rights?

**Mr von Dohnanyi.** — (D) The Council will deal with the question with the necessary urgency. However, the complexity of this matter became apparent during the discussions in Florence and the time taken will naturally depend upon the difficulty of the problems which arise.

**President.** — I call Question No 39, by Mr Van Aerssen:

Can the Council say exactly when, according to NASA calculations, the 76-ton American SKYLAB space vehicle will plunge back to earth and to what extent this poses a serious threat to the population of the zone concerned?

**Mr von Dohnanyi, President-in-Office of the Council.** — (D) The Council is aware that the American SKYLAB space laboratory is gradually descending but does not have any information on where it might come down. If it were to become likely that SKYLAB could come down on the territory of one of the Member States, the Council has no doubt that the authorities of the State would take suitable and timely measures, possibly with the collaboration of the other Member States.

**Mr van Aerssen.** — (D) Since the President-in-Office of the Council will no doubt realize that many people in the European Community are concerned that such a thing might happen — although we hope it will not — is he prepared to ask the American Government what preventive measures have been taken? Would the President-in-Office then perhaps be so kind as to tell us — when he has made these inquiries — whether this Orbital Flight Test Programme, which is partly *financed* by the European Community, is likely to be a success?

**Mr von Dohnanyi.** — (D) I should like to repeat what I said in my first answer, i.e. that it is first and foremost a matter for the authorities of the State likely to be involved to take appropriate measures. As you know, there is no Community authority directly responsible for matters such as this. However, I am certain that the nine Member States and their governments are keeping each other constantly informed on these points and exchanging information received

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from the United States so that there is scope for concerted action.

**President.** I call Question No 40, by Mr Dalyell:

Since October, what action has the Council taken with regard to non-utilization of appropriations for payments from the Social and Regional Funds, as illustrated in the report on the Financial Situation of the European Communities on 30 June 1978 recently submitted by the Commission to Council and Parliament and what action does it plan to take?

**Mr von Dohnanyi, President-in-Office of the Council.** — (D) As I pointed out in my reply to Question No H-267/78 put by Mr Dalyell in October, the Council is aware of the problems of the utilization of appropriations for payments from the Social and Regional Funds. An initial study of the procedure was carried out in October by the competent Council body. This study showed that a certain increase in the extent of utilization of appropriations for payments from the Social and Regional Funds can be expected before the end of the financial year. As regards the Regional Fund, if the conciliation procedure were concluded and the Regulation passed in the near future, this would in our view, also have a positive effect on the utilization of the funds. I would also draw attention to the statement by Mr Tugendhat to the European Parliament on 24 October to the effect that the Commission was planning to submit a detailed report on this problem to the European Parliament's control Sub-Committee.

**Mr Dalyell.** — What chances are there of solving the mystery and getting to the bottom of it before the end of the German presidency?

**Mr von Dohnanyi.** — (D) It is difficult for me to answer this question because I do not know when the Commission will submit its report. However, you may rest assured — as I told you last time — that we regard this as a serious issue and are dealing with it accordingly. We shall continue our attempts to find a solution.

**Mrs Dunwoody.** — Will the President-in-Office of the Council not take urgent steps, because, frankly, in a budget of which 80 % is spent on agriculture and only 20 % on these highly essential funds, to have that 20 % tied up by sheer administrative bureaucracy is absolutely frightening. There is no point in coming here and deciding what you are going to do with the money if no one is going to get that money paid out at the end of the time.

**Mr von Dohnanyi.** — (D) Firstly, I have already pointed out that there has been an increase in utilization of the funds. Secondly, I have pointed out that this utilization would be further assisted by the passing of the Regulation on the Regional Fund. Thirdly, I have drawn your attention once more to Mr Tugendhat's statement to the effect that he would

submit a report to Parliament. We are attending to this matter, but certain conditions must naturally be fulfilled before the funds can be properly utilized.

If I may say so, I can see that the honourable Member is not satisfied.

(Laughter)

**President.** — Since the author is not present, Question No 41, by Mr Kavanagh, will receive a written reply.<sup>1</sup>

I call Question No 42, by Mr L'Estrange:

In view of the resolution of the European Council on April 1978 on the prevention of sea pollution, particularly pollution from accidental oil spillages, and in view of the fact that a series of measures on accident prevention have already been proposed by the Commission to the Council, could the Council give an indication when it might be possible to hope for a set of Community standards on oil tankers and their crews?

**Mr von Dohnanyi, President-in-Office of the Council.** — (D) At its meeting scheduled for the end of this month, the Council will be dealing with problems relating to the safety of shipping. Primarily involved here are provisions on minimum requirements for the entry into and departure from Community ports of oil tankers and other tankers with dangerous cargoes, provisions for the guidance of ships by pilots in the North Sea and in the Channel, and the accession of all Member States to The Hague Agreement of 2 March 1978 on the observance of certain standards on merchant vessels using the ports of the countries which are parties thereto. The Commission has announced its intention to submit further proposals concerning the safety of shipping, as the honourable Member says, but these have not yet been received by the Council. It is also possible that proposals will be submitted from amongst the Member States on the basis of Article 84<sup>1</sup>)

**Mr L'Estrange.** — I suppose it is too early to ask the President-in-Office whether countries are adhering to The Hague agreement of 2 March 1978, but I would like to ask him whether he does not think that the time has come for a much tougher approach to the problem of oil seepage from tankers. Is he aware that Ireland and Great Britain had a miraculous escape recently from a massive pollution problem when an oil-tanker, with 35 000 tonnes of crude oil, got into difficulties? The papers claim that this tanker was not seaworthy, and the tanker has since been sunk, with thousands of tonnes of crude oil still aboard within 300 miles of the Irish coast where it may yet cause pollution and indeed be a danger to shipping. Does the President-in-Office not intend to do anything to improve the inspection of ships before they sail, instead of closing the stable door when the horse has bolted?

<sup>1</sup> Cf. Annex.

**Mr von Dohnanyi.** — (D) I fully share your concern and I know that the Council does too. As you know, in connection with the Amoco Cadiz incident, the French Government in particular drew the Council's attention to a number of conditions which must be fulfilled if we are to safeguard our coasts. As I said, the Council is currently considering this initiative on the part of the French Government. It has become apparent that the detailed realization of this initiative is beset with many problems, including ones upon which the Community can only exert at best an indirect and then only very marginal influence, but I can assure you that this Presidency is particularly concerned about this matter and for this reason I looked into it once more a few days ago. We regard the French initiative as a major element in the progress which, as you have stressed once more here today, is so vital.

**Mr Corrie.** — Does the President-in-Office agree that where a tanker spills oil in Community waters, the company owning that tanker should pay for the clean-up operation afterwards. In this way the company would put pressure on the captains of these ships not to cut corners, in order to cut their sailing time, and finish up on the rocks?

**Mr von Dohnanyi.** — (D) This is certainly one of the points which must be taken into account if we are to arrive at a practicable solution. In matters of environmental protection, the 'polluter pays' principle is generally applied and will naturally play a major role here too if we are to find reasonable solutions.

**Mr Fellermaier.** — (D) I am sure no one in this House will deny that the initiative on the part of the French Government and the intention of the Commission to propose additional measures to the Council represent a genuine contribution to our attempts to avoid future pollution of the coasts as a result of accidents of this kind involving tankers. However, I should like to ask whether this is adequate if one thinks of the coasts of Spain or for example, Norway, i.e. the coasts of countries which are not members of the Community but where accidents would have the same results as regards the threats to our waters? Does this not mean in practice that Council Regulations are inadequate in this case and that we must find a broader European framework?

**Mr von Dohnanyi.** — (D) It seems to me that the most important thing here is for the Community first of all to establish a strong and united position and then to use this position to influence shipping practice in a way which will be in the interests not only of the Community but also of other countries — and I am not thinking exclusively of European countries, since the Community is the biggest trade partner in the world and therefore major terminus for ships from

all over the world. For this reason, the Community's demands will no doubt ultimately be reflected in shipping regulations and principles throughout the world.

We should, I think, take the first steps at internal level, i.e. establish a clear Community position and exert our influence through the Community in the way I have tried to describe. The next step will no doubt involve the modification and amplification of regulations throughout the world.

**Mr Normanton.** — In the light of this question and the supplementary question presented this afternoon by Mr L'Estrange, would the President-in-Office not agree that the only logical solution for the problems posed in this question is for the Council of Ministers to have the courage of their convictions and adopt Community measures many of which have been presented by Commissioner Brunner and rejected by the Council? And would he not agree that there are many ways of creating energy availability within the Community other than the much less acceptable method of importing oil from the four corners of the world?

**Mr von Dohnanyi.** — (D) I do not think I can enlarge upon Community energy policy in connection with this question, since this would mean going into many more aspects. I agree, however, that the transporting of oil by sea is something which puts particular demands on the safety of ships and these were taken into account in the context of the French initiative.

**Mr Prescott.** — In view of the failure of international conventions, I welcome the Community initiative to use the power of the port State to enforce standard. But is the President-in-Office aware that all the major tanker incidents from the Torrey Canyon onwards involved serious navigational errors? And did he say that the Council is giving favourable consideration to the idea put forward by Parliament that all loaded tankers in the congested waters of the Community States should be required to carry pilots or else be denied access to our ports?

**Mr von Dohnanyi.** — (D) I did not say this quite so unequivocally as you imply, but this point, i.e. the question of the extent to which loaded tankers should be required to carry pilots, is an important element in our deliberations. I cannot say in advance to what extent this point of view will be reflected in the actual legislation passed and implemented but it is being taken into account.

**President.** — I call Question No 43, by Mr De Clercq:

The annual conference of the British Labour Party rejected, almost unanimously, any Community control over the UK's energy policy.



## President

Can the Council say whether this attitude will make it impossible to arrive at a common energy policy?

**Mr von Dohnanyi, President-in-Office of the Council.** — (D) I am afraid I must point out that it is not within the functions of the Council to comment on views expressed at an annual conference of a political party in a Member State. I therefore regret that I cannot answer this question here.

*(Scattered applause from the left)*

**Mr de Clercq.** — (NL) These statements were made by Mr Benn a member of the British Labour Government and Secretary of State for Energy. May I ask the President-in-Office whether he regards a statement of this kind made by a Minister in Office as binding upon the British Government or not?

**Mr von Dohnanyi.** — (D) The question of the relation between statements made by a minister in his capacity as member of a particular party and in his capacity as member of a Cabinet is one which the Government involved must answer; it is not a matter for the President-in-Office of the Council.

**Mr Edwards.** — Does the President-in-Office agree that the British Government has already signed an energy agreement with the Community dealing with a crisis that might arise as far as energy is concerned? And does he also agree that Mr Wedgewood Benn, in the presence of the Committee on Energy and Research, also gave that assurance at a meeting last year in Paris?

**Mr von Dohnanyi.** — (D) There are certain Community agreements regarding methods of dealing with energy crises. At least, agreements of this kind do indeed exist to a certain extent. However, I should like to stress once more that the political statements made by a member of a political party in a Member State are not matters on which the President-in-Office of the Council is competent to comment in his answers here in Parliament.

**Mr Fellermaier.** — (D) Would you agree that if, for example, the Luxembourg Prime Minister Gaston Thorn, were to make a statement in his capacity as Chairman of the Liberal Parties in the European Community at a Liberal Party Congress somewhere or other, this would not be a matter which could form the subject of a discussion between the Council and this Parliament either?

**Mr von Dohnanyi.** — (D) Yes, I would agree.

*(Laughter)*

**Mr L'Estrange.** — What progress has been made to date towards arriving at a common energy policy? Could any single Member State hold up such a policy indefinitely if it disagreed with or were not in favour of this policy?

**Mr von Dohnanyi.** — (D) Progress to date towards a common energy policy has been completely inadequate. I should like to state quite openly that, naturally, no single Member State or even group of Member States can hold up the necessary decisions in the long term. However, we must work towards the necessary compromise in these questions. The Council is not satisfied with the results achieved so far in this sector. A further meeting of the Council of Energy Ministers is planned for 21 December and I hope, if this meeting is in fact held, that we will be able to reach decisions on a number of important points.

**President.** — Question No 44, by Mr Schreiber, will not be put since the subject will be discussed as part of the debate on the Power report (Doc. 410/78). The questioner will have the right to speak first in this debate.

I call Question No 45, by Sir Geoffrey de Freitas :

What has the Council done to promote investment in the Community designed to increase employment?

**Mr von Dohnanyi, President-in-Office of the Council.** — (D) Following the European Council in Copenhagen in April this year the Council worked out a common strategy to strengthen economic growth and to improve the employment situation, and this strategy was one of the main bases for the conclusion of the European Council in Bremen and the subsequent summit conference in Bonn. The idea underlying this strategy is that concerted action through complementary measures will contribute to reducing constraints on the internal and external economic policies of the individual Member States and will increase the effectiveness of the measures. The measures to be taken by the individual Member States under this strategy were laid down by the Council immediately after the two above-mentioned conferences. This concerted action in economic policy is an important prerequisite for the process of further economic recovery within the Community.

The steps taken in the meantime in the individual Member States will provide new impetus for growth, without again endangering the balance of payments or jeopardizing the success of the necessary fight against inflation. We need more growth over the coming years, not only to bring about a lasting increase in employment but also to improve the overall quality of living, environmental and working conditions and reduce disparities in wealth within the Community and the individual Member States.

At the same time, however, these measures will contribute to strengthening the confidence of investors and consumers in long-term growth prospects and hence to providing still further impetus to growth.

The new European Monetary System should also — this is at any rate the Council's firm objective — help

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considerably to improve the conditions for greater growth and employment and thus also bring a lasting improvement in the investment climate.

This means that the system must be so designed as to be durable and credible and unlikely to give rise to any deflationary or inflationary effects.

**Sir Geoffrey de Freitas.** — For what particular initiatives by the Council does the President-in-Office consider that the governments of the Nine should claim special credit?

**Mr von Dohnanyi.** — (D) I have drawn attention to a series of measures taken by the individual Member States. However, I should like to make particular mention of the Commission's new power to raise loans with a view to promoting investment in the Community, i.e. the so-called Ortoli facility, and in addition, the 80 % increase in the Regional Fund for the years 1978-1981. Furthermore, the governors of the European Investment Bank have decided to double its capital. These then are three steps which have been taken directly at Community level.

**Mr Fellermaier.** — (D) Given the desire to create more jobs, would the Council also consider it desirable to encourage Community employers and trade unions to take the first steps towards the 35-hour week in the near future, in order to open up this possibility for creating jobs too.

**Mr von Dohnanyi.** — (D) The question is very complex. There can be no doubt that in view of the low growth rates and the fact that this situation is unlikely to improve, a gap is appearing between increasing productivity on the one hand and limited economic growth on the other and that this gap is one of the reasons for the current employment problems. For this reason, all the Member States have no doubt considered to what extent they could make use of reduced working hours with a view to re-establishing full employment. However, I do not think I or the Council can do any more at this stage than make these general observations which are being discussed in all the Member States. The question of shorter working hours was in fact considered at the Tripartite Conference, but no conclusions were reached.

I should therefore like to stress that while the nature of the problem is clear I do not think that the Council will be able to suggest any general objectives in the near future.

**Mr Prescott.** — Is the President-in-Office aware that the proportion of investment relative to the GNP and indeed capital construction has continued to decline in the last decade, or that the Commission has reported to the recent Tripartite Conference that unemployment will continue to increase in the next

two years? Does he seriously believe that they are just functions of confidence? I certainly would be intrigued to hear how he hopes to achieve the harmonization of inflation rates without, as he said, effecting either deflation or inflation in either of our economies.

**Mr von Dohnanyi.** — (D) If I may first of all deal with the last point made by the honourable Member, I at least am convinced that it is the policy of all the Member States to reduce or eliminate inflation rates higher than those of the sixties, in other words, all the Member States are currently pursuing a stability policy at various levels with a view to eliminating excessive inflation rates.

As regards investment, I cannot go along with your view that there has been a continual decline in the proportion of investment. Naturally, the Member States of the European Communities cannot in 1978 maintain the same rate of investment as in the reconstruction years of the fifties and sixties. The various phases in economic development must be clearly distinguished if one is to calculate investment rates realistically. Considered from this point of view, it is not necessarily true that investment rates have continually declined.

**Mr von Aerssen.** — (D) Since in his reply to Sir Geoffrey de Freitas the President-in-Office referred to the strategy laid down in Bremen and Bonn, may we ask whether he can give us a general idea of which of the commitments entered into on these occasions it has so far been possible to fulfil, and which can no longer be fulfilled at this stage?

**Mr von Dohnanyi.** — (D) I am certainly not in a position at the moment to give a complete account of the kind you suggest for each of the nine Member States and for the Community as a whole. However, if, in the light of your question, I consider the economic development in all the nine Member States, I would say that in all cases it is moving in the direction indicated at the Bremen and subsequently the Bonn Summit. In spite of the fact that not all the Member States have taken the measures envisaged at Bremen or Bonn or even started work on them. All in all, the current economic development of the Community is more on the positive side. Even if things are moving slowly they are nevertheless moving in the direction indicated in Bremen.

**Mr Spinelli.** — (I) In the list of initiatives taken by the Council with a view to promoting investment and employment, the President-in-Office of the Council mentioned among other things the Regional Fund commitments entered into last year.

Since these commitments preceded the Bremen and Bonn summits, does the Council intend, in the light of the subsequent developments, to provide for greater

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Regional Fund commitments as strongly advocated by the European Parliament?

**Mr von Dohnanyi.** — (D) Naturally, the Council cannot say anything definite about the future size of the Regional Fund until discussions have taken place. However, I would assume from past experience that it will be increased.

**President.** — I call Question No 46, by Mr Normanton:

Is the Council aware that the United Arab Republic is facing a threat from the Administrators of the Anti-Israeli Boycott, to be included in the 'Blacklist' of countries and companies with whom all economic relations must be severed?

**Mr von Dohnanyi, President-in-Office of the Council.** — (D) The Council has not been informed of the intentions referred to by the honourable Member, which in any case concern relations between third countries. It should, however, be pointed out that the Council has always been careful in the context of the agreements concluded with the Mediterranean countries in particular, to stress that the Community considers that application of the principle of non-discrimination should ensure that these agreements are applied correctly and smoothly.

**Mr Normanton.** — I very much doubt whether the House will have had its deep concern at the situation reduced. The fact that the House has stood solidly and foursquare against all forms of international blackmail is firmly on the record. Would the President-in-Office not agree however, that if the Community is to make a positive and constructive contribution to settling the longstanding conflict in the Middle East, the least we can do is to make sure that there is a further strengthening of the commercial links between both the Community and Israel and the Community and Egypt? By doing so we will help the common man in both of these countries to a greater awareness of the great benefits that will flow from an expansion of trade and a recognition that blackmail or boycott in any shape or form is contrary to his interests and indeed contrary to the interest of world peace.

**Mr von Dohnanyi.** — (D) Although this has not actually been discussed in detail in the Council, I am sure there will be general agreement regarding the points you have made. However, what we must do is to answer the questions which arise in a pragmatic fashion and in accordance with our objective, namely a peaceful solution in the Middle East.

**Mr Krieg.** — (F) Are studies currently being carried out at Community level with a view to examining this question and proposing to the various Member States that they introduce national legislation which would permit undertakings in these Member States to oppose

the demands of the Arab League regarding the boycott?

I should like to remind you very briefly that the United States and Canada have taken economic measures in connection with this problem, and that France took penal measures a little over a year ago — 18 months to be precise. By introducing legislation, adapted as much as possible to the peculiarities of the various countries, we could surely enable companies within our Community to avoid having to bow to demands which, I should like to join Mr Normanton in stressing, are grossly irregular.

**Mr von Dohnanyi.** — (D) I cannot at the moment remember whether there has been renewed discussion of this matter at working level, but I will be glad to inform the honourable Member if this should be the case.

**Mrs Dunwoody.** — Is the President-in-Office aware that the Community has specific legislation and has the right to act, and could he tell me of one single case, just one, where the Community has taken action in order to protect a company that was blacklisted?

**Mr von Dohnanyi.** — (D) I am not at the moment in a position to reply in specific terms to your statement and question. However, I should be pleased to look into the matter and inform you.

**Mr Sieglerschmidt.** — (D) This morning Mr Genscher spoke about more favourable developments in the Euro-Arab Dialogue. Would not this be a subject for the Euro-Arab Dialogue and is the Council prepared to discuss it with our partners in this dialogue?

**Mr von Dohnanyi.** — (D) Matters which concern both sides in the dialogue are always discussed with the Arab States both bilaterally and at Community level, and I am sure that this point too will be taken up on a suitable occasion. I should like to repeat what I said before, namely that we intend to do what is necessary in the light of our general objective, i.e. a peaceful solution in the Middle East.

**Mr van Aerssen.** — (D) The President-in-Office of the Council no doubt remembers that in the previous debate in this House Parliament made clear how deplorable it finds the fact that the European Community as the greatest trade partner in the world, with a 40 % share of world trade, should play a completely passive role in the Middle East conflict and the solution of the problems. Can the President-in-Office tell us that the Council now has a specific programme in mind which will enable us to become actively involved in solving the problems and in establishing peace? This question, i.e. the boycott, should be covered by a general programme of this kind.

**Mr von Dohnanyi.** — (D) When I spoke on this point in the last debate I pointed out that the developments were not only supported by Europe, but were also accompanied in individual cases by specific measures. I do not agree with the view which the honourable Member has just repeated, i.e. that the European Community is simply behaving as a passive observer in the Middle East. In taking this view he is underestimating the Community's contribution in the Middle East. However, the point will no doubt be taken up again in connection with the question raised here, i.e. the problem of the trade boycott.

**President.** — I call Question No 47, by Mr Fellermaier :

How does the Council assess the present state of progress at the United Nations Law of the Sea Conference ?

and Question No 48, by Mr Prescott :

What is the Council's view of reported plans by some Member States to pass legislation enabling deep sea mining operations in advance of agreement on a United Nations Convention on the Law of the Sea, thus jeopardizing the success of the United Nations Conference ?

Since these two questions deal with the same subject they may be dealt with jointly

**Mr von Dohnanyi, President-in-Office of the Council.** — (D) The Council is well aware that, even after the seventh session of the Third United Nations Conference on the Law of the Sea in 1978, many issues remain unresolved in the drafts currently being examined at the Conference, especially in connection with the provisions governing the sea bed, the delimitation of the continental shelf and fisheries. On the last of these points, the Community and the Member States have nevertheless put into effect unilateral arrangements which are based on those in the Informal Composite Negotiating Text which was drafted in July 1977 by the Chair of the Conference and which includes texts on which there is consensus and the draft compromise text yet to be examined. In doing so, the Community has adopted a virtually universal practice, since over the last two years 64 States have introduced zones for the protection of fish stocks. The exploitation of the sea bed is currently the subject of the most difficult debates at the Conference. In the opinion of the Community and the Member States, the present texts are unsatisfactory in that they do not guarantee the right of exploitation by private and State undertakings, to which the Council attaches great importance. A further disadvantage of these texts is that they impose excessively severe financial conditions on these undertakings.

The Council cannot comment on the attitude that Member States may adopt in the event of a further breakdown in the proceedings of the Conference. I would reiterate that one fact is certain : the present

state of the proceedings offers no prospects for a sensible exploitation of the sea bed. However, no effort should be spared in an attempt to find a way out of the current difficulties during the eighth session of the Conference which will begin in March 1979.

**Mr Fellermaier.** — (D) In view of the fact that opinions differ even between the various Member States, will it be possible for the Nine to adopt a coordinated negotiating position for this important new round of talks which is to begin in March 1979 ?

**Mr von Dohnanyi.** — (D) We are continually making attempts in this direction and have indeed made some progress. However, problems continue to arise in certain individual fields.

**Mr Prescott.** — While I welcome the realistic desire to conclude a law of the sea convention by 1980, does the Minister interpret the principle of the Conference as being that mineral wealth beyond 200 miles should be the common heritage of mankind and particularly the poorer sector of the world ? Can he inform the Assembly today whether the Council is actively discouraging sea-mining technology companies, who have the technology to exploit this wealth without a convention thereby ensuring that the richer countries get richer and the poorer countries get poorer in contradiction of the concept of such wealth being the common heritage of mankind ?

**Mr von Dohnanyi.** — (D) I naturally regard the phrase 'common heritage of mankind' as a significant description of the situation by the United Nations. On the other hand, we must also realize that in view of the diverging interests involved — and I am not only talking about rich and poor, but also of different individual situations — it is very difficult to arrive at a common solution. However, I can assure you that the Council is not encouraging anyone to act along the lines indicated before a reasonable solution has been found, nor will we prevent anyone from making attempts to find the necessary solutions. However, when I look at the documents of the Conference on the Law of the Sea and I am speaking now from my personal experience in office — I realize that so many different interests are involved and that the problems are so complex, that I am not certain whether we will really succeed in reaching agreement on this question.

**President.** — We turn now to questions addressed to the Foreign Ministers of the nine Member States of the European Communities meeting in political cooperation.

I call Question No 49, by Mr Dondelinger :

Will the Ministers recognize the new State of Namibia if it is declared independent following the elections which South Africa proposes to hold there at the end of November 1978 without United Nations supervision ?

**Mr von Dohnanyi, President-in-Office of the Foreign Ministers.** — (D) The nine Member States of the Community will not recognize the new State of Namibia if it is declared independent following elections held by South Africa without United Nations supervision.

*(Scattered applause from the left)*

**Mr Dondelinger.** — (F) The President-in-Office of the Council is aware that in the Republic of South Africa several Bantustans have just achieved a certain independence which is entirely theoretical, and that since the means of survival left to them by South Africa are inadequate, they are now, according to press reports, asking us for assistance. It is virtually certain that an independent Namibia, under the same conditions as these Bantustans, would also soon be obliged to come and ask us for help. Have the Ministers for Foreign Affairs already considered the problem of aid to Namibia if it is declared independent but not recognized by our Member States and, if so, what are their views on the subject?

**Mr von Dohnanyi.** — (D) We will cross this bridge when we come to it, as the British say. I think I should point out here that we are proceeding on the assumption that the Republic of South Africa will be prepared to conduct elections under United Nations supervision.

**President.** — I call Question No 50, by Mrs Dunwoody:

Will the Foreign Ministers take urgent steps to prohibit the export of any industrial equipment capable of being used in launching rockets by any African country particularly of the type being used by the OTRAG Company in Zaire?

**Mr von Dohnanyi, President-in-Office of the Foreign Ministers.** — (D) The question of an export ban on the type of industrial products to which you refer has not been discussed in the context of political cooperation. For this reason, I cannot give a joint answer on behalf of the Nine.

**Mrs Dunwoody.** — Will the President-in-Office of the Council accept that that is a strange answer, since it would appear that this German company has set up facilities taking over a whole part of Zaire, which must be based not only on German equipment but also on tax concessions that they receive from the German Government, and in fact are offering these facilities to any African government that wishes to use them on payment of a large fee? Frankly if the Community baulks its responsibility in this kind of case it is going to find itself in very deep water indeed. Because this kind of development can only lead to very real diplomatic problems in Africa.

**Mr von Dohnanyi.** — (D) I do not wish to depart from what I said in my first answer. However, if you

take the trouble to obtain some information on this subject, by some other means perhaps than putting a question here in this House — since, as I said, this is not a matter which has been directly discussed by the Nine — I am certain you will change your opinion because, for example, a number of African States involved take a different view of the matter from the one you have just put forward.

**Mr Fellermaier.** — (D) Mr President-in-Office of the Council, I am quite deliberately using this form of address because this morning, in his statement on European political cooperation, Mr Genscher spoke about the wearing of various hats. He spoke about the hat he wears as the President of the Conference of Foreign Ministers, the hat of the President of the Council, and also about the hat of the German Foreign Minister, and said that in a statement regarding European political cooperation one could obviously tend to get the various hats mixed up. I wonder, Mr President-in-Office of the Council, whether you could do the same as your colleague and, wearing the hat of the representative of the Government of the Federal Republic, perhaps meet Mrs Dunwoody's request in the way that Mr Genscher tried to do this morning in connection with another matter.

**Mr von Dohnanyi.** — (D) I have occasionally changed hats in this House so quickly that nobody perhaps noticed and my colleagues have shown great forbearance. However, if you ask me to change my hat things become much more difficult. I hardly think that the fact of your encouraging me to do this enables me to adopt a position on the particular problems raised by Mrs Dunwoody. I repeat my offer to inform you on this matter in detail, Mrs Dunwoody. There are many stories going around which have very little to do with what is actually happening and, if I may say so, if I was an investor I would not put a penny into this company.

**Mr Brown.** — I am not quite sure I understand what the President-in-Office is saying. My colleague was asking a general question on something we are all familiar with. The reports are that there is a German company offering this service. Now I would have thought that the President-in-Office could answer yes or no. Either there is or there is not. He ought to know. But if he is not answering that, would he not answer the principle involved? Would he and his colleagues be satisfied to do nothing about any company, German or otherwise, which is going round African States offering this vulgar service. Does he not feel that he ought to do something about the principle, even if he cannot do anything about the company?

**Mr von Dohnanyi.** — (D) First of all I should like to point out that I took it for granted that you were aware of the existence of this company and that my answer to Mrs Dunwoody was clear. I was not asked whether such a company existed. No one is disputing the existence of the company. I was merely pointing out that I could not go into details because they have not been discussed by the Nine.

Secondly, I should like to repeat the offer I made. I am really in a difficult position. I would be only too glad to change hats, as Mr Fellermaier advised, and to tell you what is really going on and how many fairy stories have already been told on all sides — without of course mentioning names, so as to avoid getting into difficulties of a commercial nature. However, I really cannot go into this point here and can only stress that we are aware of the situation and regret certain developments and interpretations, but, I repeat, I cannot go into the matter here. I would suggest that the point might be brought up in a different form on another occasion. Believe me, Mr President, ladies and gentlemen, I am not evading the issue. I am merely trying to stay within my remit.

**President.** — I call Question No 51, by Mr Dalyell :

When do the nine Foreign Ministers expect to receive the report of the sub-group which they have set up to investigate, in the context of efforts to combat terrorism, the abuse of diplomatic privileges by the representatives of certain countries in the Nine ?

**Mr von Dohnanyi, President-in-Office of the Foreign Ministers.** — (D) The sub-group set up by the Working Party of Heads of Protocol to look into the question of abuse or infringement of diplomatic privileges is continuing to work intensively on this matter. In connection with the fight against terrorism it is devoting particular attention to the question of the abuse of diplomatic privileges. After considering all the various aspects of this problem the sub-group will draw up an interim report which will be submitted to the Ministers as soon as it has been completed and adopted.

**Mr Dalyell.** — Is it not all too uncomfortably clear that there has been the grossest abuse of diplomatic bags, in that guns and explosives have been brought into a number of the Member States under the cover of diplomatic immunity? Is it not a situation where feuds among Middle Eastern States have been exported to the streets of cities in the Community, and in these circumstances is it not really better, if we wish to change the Vienna Convention, that we act as Nine rather than as single States. In these circumstances does the sub-group and the Council of Ministers understand that those of us who would like to change the Vienna Convention are asking, not that each diplomatic bag be searched, but that there be certain electronic scanning devices, used in the pres-

ence of diplomats of the countries concerned, whoever they may be, and that no-one is suggesting that secret documents be looked at but that something really has to be done about violence on the streets of our cities when more and more people from Middle Eastern States are coming to spend the summer in the cities of Europe ?

**Mr von Dohnanyi.** — (D) I should like to stress that it is facts of the very kind you describe and their theoretical possibility which are being discussed by this sub-group. I do not wish to suggest that any particular countries or region are involved, but I should like to stress that we are aware of this point and that the very purpose of the sub-group is to find a common arrangement to deal with these problems. I feel, therefore, that we are currently working in exactly the direction you advocate.

**Mr Blumenfeld.** — (D) Since we genuinely hope that this matter will be cleared up as soon as possible, I should like to ask when you expect the sub-group to complete its work ?

**Mr von Dohnanyi.** — (D) I am sure you will not be satisfied if I answer 'as soon as possible', since you no doubt wish me to be specific. However, I cannot give you any settled deadline at this stage. I can assure you, however, that we regard these joint discussion as a matter of great urgency and I hope that we will soon reach some results. However, I cannot say when I expect this to be.

**President.** — The second part of Question Time is closed.

I call Mrs Dunwoody on a point of order.

**Mrs Dunwoody.** — Mr President, I am not seeking to embarrass the President-in-Office of the Council in any way, but his answer has presented me with a dilemma and I would be grateful for your assistance. The information in my question was based on a very detailed television programme in which the Minister himself took part. Now, is he suggesting that he would be prepared to come back here and answer in an individual capacity? If not, would you be kind enough to tell me what means I have of raising the question again ?

**President.** — Mrs Dunwoody, if you are not satisfied with the reply you have received, you may put the question again, possibly in a different and more detailed form, but under the Rules of Procedure governing Question Time I cannot let you speak now.

I call Mr Brown.

**Mr Brown.** — Mr President, we are seeking your guidance. I confess I have not understood the reply that the President-in-Office gave me. I know of no other way it can be raised. What I put to him was a

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supplementary question. Without going into any particular detail about the firm in question, I asked him, as a Foreign Minister representing his eight colleagues, whether he believed the principle involved in this issue, that of a company touting a rocket-launching system around other parts of the world was right, and he did not answer that question.

**President.** — Mr Brown, you are at liberty to say whether or not you are satisfied with the answer, but I cannot let you speak twice on the same question, which in any case we have finished discussing.

**Mr Brown.** — Mr President with great respect, I am sorry but you are not really following what I am asking you. The Minister has advised me, or rather advised my colleague and myself in turn, that we were raising the wrong issue in the wrong place at the wrong time. Now I am seeking your guidance. I put a supplementary question to help him at least to explain himself on the question of the principle, which he did not wish to do, and he still leaves my colleague with the answer that she has raised the wrong issue in the wrong place at the wrong time. I am seeking your guidance. If the Assembly is the wrong place, if putting the question to the Foreign Minister who is President-in-Office is asking it at the wrong time, I do not quite understand how else we can do it. I am seeking your guidance and asking you as the President of this Assembly to say in what way you believe it should be raised.

**President.** — I call Mr Fellermaier.

**Mr Fellermaier.** — (D) I find it extremely strange that the President-in-Office of the Foreign Ministers has stated that he is not in a position to give an answer on this question because the Nine have not discussed it. For this reason, I should like to request, on behalf of my group, that a debate be held on this matter as being of topical interest.

**President.** — I repeat that the Council has already replied. Obviously, Mr Fellermaier, the Council cannot be forced to give a reply other than the one which it is in a position to give.

I call Mr von Dohnanyi.

**Mr von Dohnanyi.** — (D) Mr President, actually all I did was move my fingers although I realize that it is not up to me to interfere in the procedural debate which has developed. However, I will try and make my answer clear once more. Perhaps that will help. I stated explicitly that the Council had not as yet discussed this matter and that for this reason I was unable to answer what was a very specific question, namely :

Will the Foreign Ministers take urgent steps to prohibit the export of any industrial equipment capable of being used in launching rockets by any African country, particularly of the type being used by the OTRAG company in Zaire ?

Mrs Dunwoody, you did not ask the opinion of the President-in-Office of the Council regarding the entire project, nor did you ask how the Community might perhaps deal with this question. You asked a very specific question and I gave an equally specific answer :

The question of an export ban on the type of industrial products to which you refer has not been discussed in the context of political cooperation. For this reason, I cannot give a joint answer on behalf of the Nine.

I am afraid, Mr President, that I was extremely precise within my terms of reference. If I were here in my capacity as German Foreign Minister — and I wish this were possible, Mrs Dunwoody — I would be glad to adopt a position regarding this point about which both you and myself feel concerned and on which I do in fact have an opinion. However, you must understand that I am not here in this capacity. After Mr Fellermaier had made the remarks about me changing hats I was not even able as I might otherwise have been, to do this. I am sorry for this delay.

*(Applause from certain quarters).*

**President.** — I call Mr Jung.

**Mr Jung.** — (D) Mr President, Mr Fellermaier has requested on behalf of this group that a topical debate be held immediately on this matter. I merely wish to ask the President whether the Council will be discussing this matter at its next meeting and whether he will be prepared to report to this House and the questioners and possibly join in a debate? I do not regard this as necessary at the moment.

**President.** — I call Mr Fellermaier.

**Mr Fellermaier.** — (D) Mr Jung's remarks encourage me to maintain my request for a topical debate.

**President.** — I call Mr Fuchs.

**Mr Fuchs.** — (D) May I ask when this topical debate will be held? Eight weeks ago the Christian-Democratic Group also requested a topical debate and it was decided that it could only be held at the end of Question Time. Since we shall be continuing with Question Time tomorrow, it will only be possible to conduct the topical debate tomorrow after the end of Question Time.

**President.** — In accordance with Rule 47 B (3):

The decision as to whether to hold a debate on request shall be taken by the President only at the close of Question Time and shall not be subject to debate.

In accordance with the selected texts on the application of Rule 47:

A request to hold a debate immediately after Question Time shall not be granted as a matter of course: such a debate shall be held only exceptionally where it is justified on grounds of urgency.

By virtue of the powers conferred on me by these texts I have decided to reject this request.

(Applause from various quarters)

### 7. Votes

**President.** — The next item is the votes on the motions for resolutions contained in reports on which the debate is closed.

We shall begin with the *motion for a resolution tabled by Mr van der Gun and others (Doc. 443/78): Outcome of the Tripartite Conference.*

I have Amendment No 1, tabled by Mr Albers on behalf of the Socialist Group and seeking to replace the motion for a resolution by the following:

*The European Parliament,*

- having regard to the fact that the sole outcome of the Tripartite Conference was an incitation to the Commission to cooperate with the social partners in examining the possibilities of redistributing available labour,
- having regard to the need to reduce unemployment in the Community without delay,
- 1. Deeply regrets the fact that the discussions between the social partners did not produce any positive results;
- 2. Refers to the warning given by the Committee on Social Affairs, Employment and Education that the preparations for the Tripartite Conference were not adequate;
- 3. Considers that in the future the negotiations between the social partners must be intensified with a view to achieving a more equitable distribution of available labour, this being one of the most important elements in the establishment of a genuine employment policy;
- 4. Calls on the Council to empower the Commission to draw up the necessary proposals and to submit them as soon as possible;
- 5. Requests the Commission to take action to ensure that any harmonization of monetary policy in the Community is accompanied by a corresponding development of Community social policy;
- 6. Expects the Committee on Social Affairs, Employment and Education and the Committee on Economic and Monetary Affairs to make a thorough examination of

the situation as regards the Tripartite Conference and to draw up a report on the subject as quickly as possible;

7. Instructs its President to forward this resolution to the Commission and Council.

I put Amendment No 1 to the vote.

Amendment No 1 is rejected.

I put the motion for a resolution as a whole to the vote.

The resolution is adopted.<sup>1</sup>

**President.** — We shall now consider the *Ney report (Doc. 406/78): Decision on medical research and public health.*

On Article 3 of the proposal for a decision I have Amendment No 2, tabled by Mr Lange on behalf of the Committee on Budgets:

This article to read as follows:

'The total amount required for the duration of the programme is estimated at 2.7 million EUA, as defined in Article 10 of the Financial Regulation of 21 December 1977, and the staff allocation at 4 servants. These figures are merely intended as a guide.'

What is Mr Ney's position?

**Mr Ney, rapporteur.** — (F) I accept the amendment, Mr President.

**President.** — I put Amendment No 2 to the vote.

Amendment No 2 is adopted.

We shall now consider the motion for a resolution.

I put the preamble and paragraphs 1 to 3 to the vote.

The preamble and paragraphs 1 to 3 are adopted.

After paragraph 3 I have Amendment No 3, tabled by Mrs Squarcialupi and seeking to insert the following new paragraph:

- 3 (a) Points out that, in order to achieve a new quality of life, it is important to awaken an awareness of health problems centred on accident prevention, on addiction to drugs, tobacco and alcohol, on the excessive use of pharmaceutical products, and on the pathological and socio-economic effects of pollution and environmental disturbances;

What is Mr Ney's position?

**Mr Ney, rapporteur.** — (F) I agree, Mr President.

**President.** — I put Amendment No 3 to the vote.

Amendment No 3 is adopted.

I put paragraphs 4 to 8 to the vote.

Paragraphs 4 to 8 are adopted.

On paragraph 9 I have Amendment No 1, tabled by Mr Lange on behalf of the Committee on Budgets:

<sup>1</sup> OJ C 296 of 11. 12. 1978.



**President**

...

This paragraph to read as follows :

'9. Approves the Commission's proposal subject to the above observations and the rewording of Article 3 of the proposal for a decision.'

What is Mr Ney's position ?

**Mr Ney, rapporteur.** — (F) I agree, Mr President, since it is the logical consequence of the wording we have just given to Article 3 of the decision.

**President.** — I put Amendment No 1 to the vote. Amendment No 1 is adopted.

I put motion for a resolution as a whole to the vote. The resolution is adopted.<sup>1</sup>

**President.** — We shall now consider the motion for a resolution contained in the *Squarcialupi report* (Doc. 403/78): *Directive on the protection of groundwater.*

I put the preamble to the vote.

The preamble is adopted.

On paragraph 1 I have Amendment No 1, tabled by Mr Noe :

This paragraph to read as follows :

'1. Stresses the importance and urgency of proper protection of groundwater, which meets a large proportion of the Community's water requirements;'

What is Mrs Squarcialupi's position ?

**Mrs Squarcialupi, rapporteur.** — (I) I agree.

**President.** — I put Amendment No 1 to the vote. Amendment No 1 is adopted.

I put paragraphs 2 to 14 to the vote.

Paragraphs 2 to 14 are adopted.

I put the motion for a resolution as a whole to the vote.

The resolution is adopted.<sup>1</sup>

**President.** — We shall now consider the *Cassanmagnago Cerretti report* (Doc. 409/78): *Decision on research and development in the environmental field.*

On Article 2 of the proposal for a decision I have Amendment No 2, tabled by Mr Lange on behalf of the Committee on Budgets :

This article to read as follows :

'The total amount required for the duration of the programme is estimated at 20.8 million EUA, as defined in Article 10 of the Financial Regulation of 21 December 1977. The above figure, which is merely intended as a guide, replaces the corresponding figure in the programme adopted by Decision 76/311/EEC.'

I put Amendment No 2 to the vote.

Amendment No 2 is adopted.

We shall now consider the motion for a resolution.

I put the preamble and paragraphs 1 to 4 to the vote.

The preamble and paragraphs 1 to 4 are adopted.

After paragraph 4 I have Amendment No 1, tabled by Mrs Squarcialupi and Mr Veronesi :

Insert the following new paragraph after paragraph 4 :

'4(a) Points out that research programmes must be accompanied by the political will of the Council, which will find expression in the early adoption of the directives on the environment long since approved by Parliament.'

I call Mrs Squarcialupi.

**Mrs Squarcialupi.** — (I) Mr President, the rapporteur has agreed to this amendment.

**President.** — I put Amendment No 1 to the vote. Amendment No 1 is adopted.

I put paragraphs 5 and 6 to the vote.

Paragraphs 5 and 6 are adopted.

On paragraph 7 I have Amendment No 3, tabled by Mr Lange on behalf of the Committee on Budgets :

This paragraph to read as follows :

'7. Approves the Commission's proposal subject to the above comments and the amendment of Article 2 of the proposal for a decision.'

I put Amendment No 3 to the vote.

Amendment No 3 is adopted.

I put the motion for a resolution as a whole to the vote.

The resolution is adopted.<sup>1</sup>

#### 8. Trade and cooperation between the Community and Israel

**President.** — The next item is the oral questions with debate put by the Committee on External Economic Relations to the Commission and the Council on the development of trade and relations between the Community and the State of Israel (Docs 416/78 and 417/78):

1. Does the Commission Council consider that the preferential trade agreement concluded on 11 May 1975 between the Community and the State of Israel, which entered into force on 1 July 1975, has made a satisfactory contribution to the promotion and diversification of trade between the two sides ?
2. Can the Commission Council say what stage has been reached in the talks being conducted, pursuant to Article 22 of the Agreement between the contracting parties, with a view to considering possible improvements to the Agreement to take effect on 1 January 1979 ?

What particular difficulties might these talks be encountering ?

<sup>1</sup> OJ C 296 of 11. 12. 1978.

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3. What measures does the Commission/Council believe would be most appropriate for facilitating the development of scientific, economic and technical cooperation between the Community and Israel when the supplementary protocol and the financial protocol, signed on 18 February 1977, shortly enter into force?

I find it most regrettable what there are Members who table oral questions to be debated and who are then absent from the Chamber when the debate begins. I would ask both individual Members and the groups not to allow this sort of situation to arise, which does nothing at all to enhance the prestige of our Parliament.

I call Mr von Dohnanyi.

**Mr von Dohnanyi, *President-in-Office of the Council*.** — (D) Mr President, the Council considers that the preferential trade agreement concluded on 11 May 1975 between the Community and the State of Israel, which entered into force on 1 July 1975, has made a satisfactory contribution to the promotion and diversification of trade between the two sides.

According to available Community statistics, Israeli exports to the Community rose from 573 million EUA to 983 million EUA between 1975 and 1977 — an increase of 72 %. Over the whole of the same period, Community exports to Israel increased by 14 % from some 1 300 million EUA in 1975 to some 1 500 million EUA in 1977. With regard to the implementation of Article 22 of the 1975 Agreement, which concerns the examination of the results of the Agreement and of possible improvements to it by both sides as from 1 January 1979, the Council would point out that under Article 22 the procedure to be followed in this matter must be the same as that adopted when the Agreement was negotiated. This procedure first of all entails exploratory talks between the Commission and the partner country. The results of these exploratory talks are set out in a Commission report to the Council, which expresses an opinion on the report's content. The Commission had exploratory talks with Israel in September 1978, and it goes without saying that, in accordance with the procedures agreed on between the two institutions with regard to trade agreements, the European Parliament will be informed by the Council of any decisions which the Council might take.

With regard to cooperation between the Community and Israel, the Council would draw attention to the fact that the 1975 Agreement already contained provisions on this matter. Pursuant to this Agreement, work has been carried out by the institution which administers the Agreement. The efforts made so far under the 1975 Agreement will assume a new dimension when the Additional Protocol and the Financial Protocol of 1 November 1978 come into force. The Community bodies are at present carrying out studies aimed at seeing what specific action could be visual-

ized in areas of scientific, industrial and agricultural cooperation already explored with Israel over the past few years and at pinpointing other sectors in which cooperation would benefit both sides. It is still too early to forecast the outcome of current work, which is being actively pursued and should even gather pace in the next few months.

**President.** — I call Mr Jenkins.

**Mr Jenkins, *President of the Commission*.** — Mr President, I do not feel there is a great deal I need add to what the President-in-Office of the Council has said, particularly as we are in a sense replying to a question which has not been asked. But nonetheless I would like to say that I agree with him that the free trade agreement has made a positive contribution to the promotion and the diversification of trade. He gave the figures for the increase in the Community's imports from Israel between 1975 and 1977 and also those for the Community's exports. The striking thing is that, of course, there was a substantial increase in imports from Israel, while the exports remained virtually stable. There was a slight increase in 1977. In view of the massive trade surplus with Israel and the problems this posed, this was not altogether an undesirable development — certainly not from the point of view of Israel. And the Community's trading surplus with Israel therefore fell significantly over the period in question, although it appears to be rising again in 1978. Certainly it did in the first four months, but it is a little early to make a firm judgment as to the extent to which this is a change of trend.

Furthermore, the sharp increase in Israel's exports to the Community has been accompanied by a diversification of trade in both the industrial and agricultural sectors. It will not, however, be possible to gauge the real impact of the agreement on the development of trade until a more substantial period of time has elapsed and, as a result, a more considered assessment can be made.

As the President-in-Office indicated, on 25 September exploratory talks took place on Article 22 of the Agreement between a Commission delegation and an Israeli delegation. The purpose was to review the results of the agreement and consider possible improvements. The Commission has not yet transmitted its report to the Council, but it hopes to do so in the very near future. It is still indeed in the process of considering the report of these talks together with the relevant proposals. The Commission, I should say, however, does not feel it necessary at this stage to amend or improve the framework provisions in the present agreement in relation to the development of scientific and economic cooperation with Israel. That doesn't, of course, mean that we don't want close scientific and economic cooperation. It does mean, in our view, that the clauses in

## Jenkins

question have not yet been applied for long enough to indicate whether any further measures might be required in this field.

It is also the case that the Commission has already told Parliament that in its view conditions permit a stepping up of the concession on Israeli citrus fruits from 60 to 80 % as from this marketing year and has presented the necessary proposals in this field to the Council, although the Council has not been able to agree upon them. There are necessarily certain problems relating to agricultural trade with Israel at the present time towards which we are bound to take a realistic view. But we are certainly anxious that we should have good trading relations, and I hope that as a result of these useful exploratory talks which have taken place we may be able to build on the reasonable progress which has been made over the past three years of the life of this agreement.

**President.** — I call Mr Patijn to speak on behalf of the Socialist Group.

**Mr Patijn.** — (NL) Mr President, I was not supposed to be the first Member of this House to speak in this debate, but as things have turned out like this, I should just like to make the following comments. This is not something which requires a lengthy debate, but the approach adopted by the President-in-Office of the Council and the President of the Commission was just right. It is one which we can go along with and which demonstrates that the two institutions in Brussels realize there are certain aspects of relations between the EEC and Israel on which action must be taken. I share the view that it is up to these two institutions to keep an eye on the situation, and I also believe that this is in fact what is happening. But I should just like to make one point in passing, and that is that we are talking about a country which is running an enormous deficit in its balance of trade with the Community, a country which — as far as its relations with the Community are concerned — is counted among the Mediterranean countries under the terms of the Mediterranean Policy expounded by Mr Cheysson and subsequently by the Council. And yet Israel is one of the countries facing the greatest difficulties, with the largest deficit in its balance of trade with the Community.

But the fact of the matter, the first results of which we shall be witnessing in the coming months and years, is that the overall concept behind the Mediterranean Policy is being violated to enable three countries to attain membership of the Community. First Greece and then perhaps Portugal and Spain will become members of the Community and will be entitled to the special position enjoyed by Member States in terms of trade relations, particularly the right to the free exchange of goods. I believe we must take this opportunity to put in a word of warning on the ques-

tion of accession. Our aim is certainly not to rethink the Mediterranean Policy in the light of the changed circumstances, but simply to point out that, in discussing the situation between the EEC and Israel, we are inevitably faced with the question of what should be done about the Mediterranean countries which are not applying to join the Community? What should be done about the Mediterranean countries other than Greece, Portugal and Spain? What can we do to help them? Will they be covered by the same arrangements as have applied hitherto, with the necessary improvements? Will they benefit from the advantageous trade conditions which the new Member States will enjoy?

We think they should, and as to the objection that this is not what we are supposed to be discussing, that it is an incidental question on an incidental problem — that of Israel — I can only say that this House could have raised the same question with regard to the Maghreb and Mashrek countries, to Turkey or to any number of other countries. But what we are talking about now is Israel, because Israel already has such a large trade deficit and because we are aware of the situation it is facing. That is the first point I wanted to make.

The second is quite a brief one. The Camp David agreement is on everyone's lips. Everyone is talking about the political solutions which have to be found between Egypt and Israel on the effects that the agreement will have on the agreements to be reached with Israel's other neighbours. But let us concentrate on one aspect. We must realize that, when these agreements come into being and Israel can live in peace with its neighbours, it must be given the chance to be economically viable, because trade relations with the EEC cannot be readily replaced by trade relations between Israel and its Arab neighbours. It does not necessarily follow that peace will lead to intensive trade relations between these countries. Israel's main market will remain the European Community, and as this is so, and as discussions on a peace treaty have got underway, one of the conditions must be that the European Community should give Israel the chance to develop its economy on a peace footing, and this is something we must help to achieve. It is not enough to say that the Americans will see to this since President Carter is prepared to put all his weight behind the Camp David agreement. It may well even have contributed to the Democrats' electoral successes.

The point is that the European Community, in its capacity as Israel's main and nearest trading partner, should accept its share of responsibility and do its bit. I have brought up these two points with regard to the Community's Mediterranean Policy and the political situation of Israel in the Middle East in the hope that some reaction will be forthcoming from the Council and the Commission.

**President.** — I call Mr Blumenfeld to speak on behalf of the Christian-Democratic Group (EPP).

**Mr Blumenfeld.** — (*D*) Mr President-in-Office of the Council, I should like to associate myself with the tenor of Mr Patijn's speech, and I must say that, in view of the political and economic factors and realities with which the Community is faced in its cooperation and agreement with Israel, and vice versa, the replies we have received from the President-in-Office of the Council and the President of the Commission were really not good enough. This is not the time to indulge in a wide-ranging debate. We shall have plenty of time to do that when the delegation from the European Parliament — under your leadership, I hope, Mr President — returns at the end of the year from its meeting with the Knesset and reports back to this House.

That will be the time to go over the whole range of questions. I must say, though, that it is not exactly encouraging to hear Mr Jenkins read out something that has been written by his assistants rather than stating clearly what is at stake. Mr Jenkins, Israel had a deficit of some 900 million dollars in 1977 in its trade with the Community, and this deficit will be even larger in 1978.

I do not think it really reflects particularly well on the Community to export a great deal to Israel but not to give Israel the chance to bring its balance of payments into equilibrium, especially in view of the fact that, as we all know, Israel is faced with all the problems resulting from the lack of peace in the Middle East. This figure alone should give the Commission and the Council cause to take things rather more seriously than they seem to be doing at the moment. The fact that the President of the Commission has just said that the Commission has approved and forwarded to the Council the long-awaited and much-needed increase in the concession on Israeli oranges and citrus fruits from 60 to 80 %, and that the Council has been putting off the decision for months is surely evidence of a lack of political sensitivity and comprehension on the part of the Council. What is the reason for this delay? Why is the Council procrastinating on this issue? Why is the document not sent on its legislative way with the full approval of the Council? Are there political reasons for the Council's inaction? Could it perhaps be that the Council wants to wait and see how the situation develops when Greece and Spain join the Community? The line that used to be followed was that Israel could not be offered more than the Maghreb countries.

However, all that is history. What we are concerned with today is equality, and equality is precisely what is missing from relations between Israel and the European Community. And what is more, the various negotiations which are going on between the Commission and the Israeli government delegation do not exactly seem to be proceeding apace towards a long-awaited reduction in Israel's deficit in its balance of trade with the Community.

Mr Jenkins pointed out that on 25 September, Article 22 of the Treaty was applied for the first time in the form of a review of the past, which no doubt included a look at future prospects. And as far as improving and extending relations between Israel and the European Community are concerned — and if the agreement is to be taken seriously, something must surely be done to this end, we really cannot use the applications from Greece and Spain and the market share in citrus fruits which Israel has achieved over the years to cast further doubts on this future. But this is just what Jerusalem is afraid of. Mr Jenkins, I should be very grateful to you for a more positive and more encouraging message here today, which the European Parliament's delegation could then take with them to the discussions to be held with the Knesset in December. What you have said so far today has all been said before and is not calculated to give anyone any encouragement. When I look at the opportunities we have and could have in the industrial sector, I feel that the Commission and the Council are not really getting to grips with the matter, as the overall political situation requires. Mr Patijn was quite right, and that is the point I should like to close on, Mr President. The peace negotiations between Egypt and Israel represent a turning point for the Community's Mediterranean Policy. We all hope that the peace treaty will soon be signed, and when it is, it will have a profound effect on relationships between the European Community and both Israel and Egypt. I think both the Council and the Commission would be well advised to devote more attention than hitherto to ways in which the Community can meet this historic challenge and to consider the initiative the Community intends to take. Mr Jenkins, this is something which cannot be left to your subordinates. It is your job, and it is the job of your fellow members of the Commission and of the Council.

#### IN THE CHAIR : MR LÜCKER

##### *Vice-President*

**President.** — I call Mr Normanton

**Mr Normanton.** — My friend and colleague, Lord Bethell, will be extremely disappointed that he was not here to open this debate, because I know it was his intention to do so, as this subject and the content of the question are matters which are very close indeed to his heart: there must have been some hitch, and I hope the House will excuse this.

I am sure the House will have extended some degree of welcome to the two statements which have been given, firstly, by the President-in-Office of the Council and, secondly, by President Jenkins. They do, as far as I am concerned, provide evidence of the Community's continued commitments to spread, maybe slowly, maybe a little painfully, the circle within which there will grow, and must grow, a greater liberalization of trade.

## Normanton

If I may in this connection, I would like to place, not for the first time, on the record of this House my firm conviction that the only lasting solution which I can foresee to the conflict with which Europe has been bedevilled and by which broad areas of the world have been deeply troubled — the Israel-Arab conflict — can come from the ultimate integration of these conflicting elements, these two conflicting points of view, as part of the European Economic Community. Therefore any commercial agreement with Israel, any commercial agreement with Egypt, must by its very nature be a contribution to a longer-term, much more profound resolution of this conflict.

But there are a number of points which I feel it may be appropriate, not to raise as major issues but just to touch upon, on the basis of views which I have heard from various sources in order to indicate, perhaps, ways in which the trade agreement with Israel may stand a considerable amount of closer examination.

I happen to know that considerable difficulty was experienced in the shipment of flowers from Tel Aviv into the heartlands of the European Community, where I understand, certainly until recently, there were some difficulties in getting flight landing permission. I cannot see that the shipment of flowers from Israel should or could in any way conflict with the activities of the growers of flowers in Europe, particularly as the atmospheric and climatic conditions concerned differ very considerably from those in, say, northern England. This is one point which the Commission might just like to have a quick glance at to see if there is any justification for doing something here.

The second point — and here I must enter the *caveat* that I touch upon it with considerable hesitancy, because, as the House knows, I have a long-standing interest in and concern for the well-being of the textile industry throughout the whole length and breadth of the European Community — is that I have been informed that under the present agreements there have been one or two moments of difficulty and embarrassment to Israel over the restrictions on shipments of certain textile products to the Community. I am not suggesting, and I hope the House will not ask me to press for, any greater liberalization, but at least the Commission might like to look into the possibility of consultation on how this sort of agreement, including restraints and restrictions imposed on textiles, might be better and more effectively managed.

My third point flows from President Jenkins' reference to the agreements relating to scientific cooperation. On more than one occasion I have said in this House that we should be well advised, as far as research funding is concerned, to take note of the unique concentration of scientific knowledge and intellectual expertise to be found in, for example, the

Weizmann institute in Israel. I have no doubt in my mind that consideration could, to the unqualified advantage of the whole of Europe, be given to the question whether this is not one of the areas outside the Community where specific research and development projects might be funded. A classical point is, of course, solar energy.

My fourth point is that I hope the Commission since we are today talking about the agreement between the Community and Israel, will use its best endeavours to turn bilateral trade between the Community and Israel and between Egypt and the Community into trilateral, and see if we cannot bring some kind of persuasive influence to bear to promote the flow of trade or start it up again, between Israel, Egypt and the Community. I suggest to this House that this would be a very significant and constructive contribution towards resolving the deep and bitter conflict in the Middle East.

My last point derives perhaps from the contribution made by Mr Patijn. We are currently negotiating or considering the enlargement of the Community. I do earnestly hope the Commission is taking every opportunity of extending these discussions to cover all those countries with which the Community presently has trade agreements — and that, of course includes Israel.

**President.** — I call Mr Vitale to speak on behalf of the Communist and Allies Group.

**Mr Vitale.** — (I) Mr President, I too am disappointed that the Council and Commission made such brief replies without taking account of the obvious connection between what has been called the 'great challenge' — that is enlargement — and the renewal of the 1975 Agreement. This oral question in fact raises the whole problem of Mediterranean policy.

Although his words were few, Mr Jenkins touched on a sore point when he acknowledged the existence of delays and worries with regard to agricultural policy. We must be realistic, if we wish to resolve an obvious contradiction: that we must intensify our efforts to increase and diversify trade between the Community and Israel, while at the same time preventing this from creating delays or obstacles both to the accession of the applicant countries — Spain, Greece and Portugal — and to the development of existing regions of the Community such as Southern Italy.

The date provided by the Council indicate a fairly obvious imbalance. What is the significance of a 72 % increase in Community imports from Israel and an upward trend — vague and unquantified — in Community exports to Israel? It means that we are failing to implement an effective cooperation policy in the various fields — loans, aid, technical and scientific assistance, and industrial cooperation; it means that we are still looking at the State of Israel in traditional

**Vitale**

terms, i.e. as a source of agricultural products. And all this constitutes an obstacle to developing trade between the Community and Israel.

When this problem is linked with the problems of enlargement of the Community, it is clear that this contradiction must be resolved: either we risk jeopardizing the preferential agreements with the countries on the Southern coast of the Mediterranean, or we create a serious obstacle to the process of Community enlargement. There is also the problem of the countries which are already members of the Community. One speaker mentioned citrus fruits, especially oranges. I should like to point out that the Community countries provide 3 % of the total consumption of citrus fruit in the Community at the moment, which means that 97 % comes from outside the Community. This serves to remind us that the famous 'Mediterranean package' needs to be something much more incisive, designed to help the Mediterranean regions — starting with those which are already in the Community — to bring about profound structural changes, diversify their production, and make themselves more competitive in market terms; there is a need for a new agricultural policy which will eliminate or at least lessen, these elements of disturbance and competition in the further development of relations not only with Israel, but also with Morocco, Tunisia etc.

The Communist Group will certainly support unreservedly any measures to increase and diversify trade between the Community and Israel, but at the same time it demands that Community policy should take greater account of the Mediterranean agricultural produce both of the countries which already belong to the Community and of the applicant countries. Aid is needed for improving the quality of agricultural produce — and this is the crux of the current problem — and for the growth of industries derived from and linked with agriculture, both in Southern Italy and Southern France, for example, and in future in Spain, Greece and Portugal. In other words, it is in our view essential to revise thoroughly to extend and to give greater weight to what is currently known as the 'Mediterranean package', not least so that Europe may adopt a different and more constructive attitude towards Israel and all the other countries of Northern Africa and the Middle East.

**President.** — I call Lord Bethell.

**Lord Bethell.** — (*F*) Mr President, I should like first to convey to you the apologies of the Chairman of the Committee on External Economic Relations, who is unable to be present.

The preferential trade agreement between the Community and the State of Israel came into force more than three years ago, and the Committee on External

Economic Relations thinks that the time has come to assess its operation carefully. Unfortunately this assessment cannot be complete, since the financial protocol and the supplementary protocol have only just come into force. Any assessment must therefore be confined to trade. It must be said that the picture is not encouraging, and the Israelis themselves have expressed disappointment at the results. After three years, their trade balance with the Community continues to worsen. Their exports to the Community have indeed increased, but their imports have shown a larger increase. If this situation is compared to that of their trade with the rest of the world, the picture appears even more disappointing. Israel's trade deficit with the Community increased by 21 % between 1976 and 1977, whereas its trade deficit with the rest of the world increased by only 2.3 %. In the first six months of this year, trade with the Community accounted for about 60 % of Israel's overall trade deficit.

In fact Israeli exports encounter numerous obstacles. I shall mention only a few of them: the Commission's imposition of limits on the import of Israeli products; the difference in manufacturing standards and the non-tariff barriers with which we are all familiar. It must also be said that the Community has protested at the barriers set up by Israel (on cigarettes, wood and bottled beer, to name but a few products) and complains that different levels of duty are applied according to whether or not the Member State concerned is one of the original Six not to mention the fact that Israel has increased the duty on various products by 25 % to compensate for the devaluation of its currency.

There are problems, then, but they do not seem to be insurmountable. That is why the Committee on External Economic Relations attaches great importance to the current negotiations under Article 22 of the Agreement, which were to study possible improvements to be made to this Agreement as from 1 January 1979.

If the Community is facing serious economic difficulties, for Israel they are even more serious. Indeed, that country has an inflation rate of more than 35 %, a structural deficit in the balance of payments and an external debt of more than 10 thousand million dollars. In spite of this situation, it has honoured its commitments to liberalize its external trade. The result is that Israeli industry is in great need of breathing space. Paragraph 2 of Article 22 provides for a slower dismantling of tariff barriers by Israel. We should like to know how far negotiations have got on this point.

Moreover, we should like to see the widest possible cooperation — in the industrial, agricultural, commercial, technical and financial fields — established between the contracting parties. Can the Commission tell us what specific measures have been taken to prepare for the entry into force of the supplementary

## Lord Bethell

protocol and the financial protocol signed on 8 February 1977?

Here, too, it seems that all is not going as well as it should. I know that Israel is more highly developed than its neighbours, and this situation explains the relatively modest character of the financial protocol and the fact that Israel is the only State in the Mediterranean basin which grants some reciprocity in preferences. But I also know that the Israelis have many ideas on these subjects, which I assume have been discussed with the EEC. The Committee on External Economic Relations would like to have information, and — I would go so far as to say — to be reassured as to this situation.

The Council and the Commission are of course not unaware, either, that Israel is worried about the possible consequences for its trade of the enlargement of the Community. Its concern is legitimate. We all know that the agricultural produce of the three countries which have applied for membership of the EEC is similar to that exported by Israel, and it is understandable that the latter should fear that, by joining the Community, Spain in particular may deprive Israel of some markets, particularly for citrus fruits.

This fear is increased by Israeli disappointment at the unfulfilled hope of obtaining an 80% tariff reduction for oranges and mandarins, since it is merely envisaged that an improved figure of 60% could be decided at the first general review.

It is true that this problem goes beyond the case of Israel alone and in fact it concerns the whole of the Mediterranean basin. Yet it is desirable that the EEC should respect its commitments and take account of the legitimate interests of the countries of this region by avoiding any erosion of the arrangements applying to them. Can the Commission give an account of the discussions which it has held with Israel on the consequences of any future enlargement?

**President.** — I call Mr von Dohnanyi.

**Mr von Dohnanyi, President-in-Office of the Council.** — (D) Mr President, at the end of this debate, I should just like to try to add a few comments. As far as the aims are concerned, there is a large measure of agreement between what I and the Commission said and the speeches made here in this House. However, various speakers also highlighted the fact that, although we may agree on the aims, some of the problems are substantial and can only be overcome by taking difficult decisions. This debate appears to me to have established the need to develop economic relations between Israel and the Member States of the Community, not only in terms of agriculture but of our economies as a whole. It has also served to shed more light on the situation which will result from the accession of the new Member States,

and this point has been stressed here today. Our decisions will, of course, have to take account of the candidate countries and their accession to the Community. We shall — as Mr Blumenfeld rightly pointed out — also be faced with the question of the political aims of our whole Mediterranean Policy. This problem does not concern Israel alone. It is a problem which must be dealt with in an overall context, and in which we must take into account our specific task in making a European contribution towards solving the problems in the Middle East.

There are thus four dimensions to this problem — the situation in the Member States, the forthcoming accession of the new Member States, our policy towards the Mediterranean area as a whole and our particular political responsibility *vis-à-vis* the Middle East. I should like to emphasize that the Council is fully aware of these multifarious and complicated questions and will be mindful of its responsibilities in whatever action it takes.

Finally, allow me to make one comment which may appear to be of only technical interest but which I regard as important. The question of customs tariffs has played an important part in the debate, and it is only natural that tariff reductions and the extent of these reductions should figure prominently in the discussions with the various countries — particularly Israel — which have been referred to in the course of today's debate.

It is my view — and I should like to address these remarks to my colleagues in the Council as well as to the Members of this House and our partners such as Israel — that we frequently attach excessive importance to tariff questions in deliberations like these. We must not forget that, at a time of flexible rates of exchange, questions which may in the past have been of considerable importance are now much less important. Concentrating on customs tariffs will not, in my opinion, have any great effect on the size of the market — whether a particular customs tariff be reduced to 8, 10 or 12%. As far as the size of the market is concerned, the decisions to be made will probably be related more to quality, marketing and general access to markets. These are much more important factors than the tariffs themselves. In other words, I do not think we should attach too much importance to this aspect. But, as I said before, this is addressed likewise to my colleagues in the Council whose work on tariff reductions often concentrates on decimal points whereas, as far as the market is concerned, the decimal points may not be as effective as they sometimes appear to us.

Mr President, I should like to end with these words and express my thanks for the thoughts and views I have heard here today. I shall pass them on to the Council and they will undoubtedly play an important part in the Council's future deliberations.

**President.** — I call Mr Jenkins.

**Mr Jenkins.** — Mr President, we have had a brief, but I think quite important and wide-ranging debate. Let me begin, if I may, by saying a word in the greatest good humour in reply to Mr Blumenfeld. He rather complained that I have perhaps had a prepared text in front of me. If I may say so, he was very lucky I did. You can hardly expect to have spontaneous replies to questions which have not been asked, and had one had no reply at all but was merely waiting — which is very suitable in debate, but here there are questions which have been put to me — my answer would of necessity have been almost a silence. I think on the whole that the House is lucky that its rules, are such which are not those of any parliament I have been used to previously, that those who put down a question and don't bother to turn up to ask it nonetheless get an answer. As I think the debate has been worthwhile, I make no complaint about that, but if one is to deal with circumstances such as these, one is bound to have something in the nature of a prepared answer, because it is not possible to carry on a spontaneous debate to questions which are not posed.

*(Laughter)*

I come now to a number of the other points which have been raised in the course of the debate. Let me first, beyond that, assure Mr Blumenfeld that I share with him the feeling that there is a need for political sensitivity in our approach to this vital problem at the present time, and I share too the concern which was expressed by one or two honourable Members — by Lord Bethell in particular — at the massive size of the deficit which Israel has with the Community and how important that is for Israel, given the fact that the Community accounts for such a large part of Israel's trade. The House will be aware that, indeed, in reviewing the progress of the agreement over the past few years, I did the reverse of what one might sometimes do in reviewing commercial relationships. I said that one of its advantages has been that it has led, perhaps a little hesitantly in the last year but over the period as a whole, to a much more significant increase in Israeli exports to the Community than in Community exports to Israel. If one were reviewing the progress of a normal trade agreement, one would rather put it the other way round, and one would not regard it as a subject for congratulation that the increase in their sales to us has been much more than the increase in our sales to them. But it is precisely because we are aware of this problem in the terms which Lord Bethell and others have put it, that I presented the argument in that form.

Let me say, if I may, in answer to one at least of the several interesting points which Mr Normanton made, that I certainly do not underestimate the importance of scientific and other forms of economic cooperation with Israel, and reiterate what he said about the excel-

lence of the institutions there. In fact in my opening statement I said it was not, in my view and the Commission's view, necessary at present to amend or improve the framework provisions. It did not mean that I did not want more effective cooperation. Where one has a framework, one has to see what is within the framework — whether more can be done within the framework — before necessarily considering whether it is right to change the framework.

Now clearly, some significant part of the consultations on 25 September were concerned with the citrus fruit problem, and it is no good denying that this is a real problem. Mr Vitali asked for a larger market for Israeli citrus products, a larger market for citrus products from the existing Mediterranean countries, perhaps a larger market from the new candidate countries. It is not entirely possible to invent markets for products of this sort, and I think the House with its sense of responsibility will recognize that there is a certain difficulty in squaring a circle so far as this is concerned. But we are very well aware in the Commission that the problem of enlargement, which I believe is strongly supported by this House, as it is certainly strongly supported by the Commission — the need for enlargement on a whole variety of grounds — does nonetheless pose certain real problems for both our existing and our future relations with our trading partners in the Mediterranean, of which Israel is an important one — politically an extremely important one — as are other countries like Egypt which have been mentioned.

On the whole, however, we do not take the view that these consultations under Article 22 of the Agreement are exactly the appropriate framework in which to deal with that very important and major problem. There will indeed have to be negotiations conducted in the fairly near future with a view to adapting the agreement to the new situations arising from the enlargement of the Community, and we have very much in mind the need in our approach to enlargement to deal with the real problem of our relations with other Mediterranean trading partners. We have no magic wand which will open up new markets which do not exist. We will certainly approach this in the most constructive possible way and with the greatest sympathy, and that indeed will characterize our whole approach to this problem of trade relations with Israel at the present time.

**President.** — I call Mr Blumenfeld.

**Mr Blumenfeld.** — (D) Has the President-in-Office of the Council forgotten to answer my question as to why the Council has failed to step up the tariff concession from 60 to 80 %? He talked about the problem in general terms but did not answer my question. May I remind him that I am still waiting for his reply?

**President.** — Does the President-in-Office of the Council wish to speak?



**Mr von Dohnanyi, President-in-Office of the Council.** — (D) I thought, Mr Blumenfeld, that I had dealt with your question when I pointed out that, as far as these decisions were concerned, we had taken account of the situation in the Member States and the accession of the new Member States. If you are dissatisfied with this answer, I can only say that I am sorry, but these are the facts. The Council discussed this question in the light of these two factors — the situation in the Member States and the accession of the new Member States, and compromise proposals were made which — after informal consultations with our Israeli friends — were judged inadequate by the other side. As President Jenkins just said, we shall pursue this question, but I must stress that it is a complicated matter, and the point was made in this House that there are number of aspects, and the whole thing goes hand-in-hand with the wider problem of employment in some Member States and with the economic problems in the Community as a whole. This, Mr President, was my original reply, and I should like to underline, once again, Mr Blumenfeld, what I said about regarding customs tariffs only in terms of percentages. However important the subject may appear to each of us individually, I feel its overall economic significance has been considerably exaggerated.

**President.** The debate is closed.

### 9. Flight safety

**President.** — The next item is the oral questions with debate put by Mr Fuchs, Mr Brugger, Mr Alber, Mr Schyns and Mr Noè to the Council and the Commission on flight safety in the framework of the common transport policy (Docs 418/78 and 419/78):

In view of the concern expressed by the European Parliament in its resolution of 10 May 1978<sup>1</sup> that the Community institutions have taken no action on the question of air traffic control and since the Eurocontrol agreements are due to expire in 1983, the Council Commission is requested to give its views on the following questions in the framework of the common transport policy:

1. Is there any guarantee of continuing safety of civil aviation in the Community after the expiry in the 1980s of the Eurocontrol agreements, which do not at present form part of the EEC Treaty, especially if air traffic control is renationalized in the Member States after 1983 and,
2. if the reversion of air traffic control to the national authorities for commercial and security reasons should lead to a deterioration in air traffic control, what measures will the Council Commission take in the next four years to fulfil its obligation under the Treaty of Rome to establish a common air transport market?

I call Mr Fuchs.

**Mr Fuchs.** — (D) Mr President, ladies and gentlemen, this is the third time in the space of three months that this House has gone into the question of flight safety — a fact which testifies not to stubbornness or incomprehensible obstinacy on our part, but first and foremost to our concern lest the Community fail the test on a matter which directly affects our citizens. Let me remind you that just a fortnight ago, at the end of October, a Major European airline and the Federal German Air Traffic Control Institute again issued certain highly alarming information, along with the complaint that there is no large-scale coordination of air traffic. The list of complaints went on to cover the lack of standardized guidelines and equipment, as well as the technical inadequacy of the information networks in a number of Member States which, just to take an example, have no standard lines.

Complaints were also expressed as to the inadequate coordination of civil and military air traffic control, the consequence being that if the increasing shortcomings in the control of air traffic over Europe are not overcome, there is a danger of the air transport system breaking down altogether. I can only hope that this prediction is exaggerated, but we must bear in mind that the people who say this are not outsiders but experts in their field, which means that we should take this problem very seriously indeed. We are already seeing some of the results of these shortcomings. Reference was made to the fact that there is a danger of delays becoming the norm in air transport and that, for example, backlogs could ensue, with the result that even when planes could theoretically still land and take off, things might not be as simple as they looked. There was also talk of the increasing danger of near misses, and the point was made that even, for instance, in military air traffic, there was an increase last year of 24 % — an alarming figure, and one which just goes to show the generally reduced level of safety. For these reasons, I think our questions to the Council and to the Commission are fully justified. We realize that a major hearing will be taking place on this question next February, but it is imperative that this House emphasize again and again the urgency of this matter, since there can be no doubt that the Community has a certain responsibility for this subject under the terms of the Treaty of Rome. At any rate, the European Court of Justice has confirmed that the question of air transport is inextricably linked with the question of flight safety. Flight safety is an essential element of air transport as a whole. It is therefore absolutely essential that a plan at least be drawn up for tackling this enormously important question.

In support of my argument, I should like to point out that we have in writing the fact that the Eurocontrol agreement between the seven Community countries will expire in 1983. And there is no certainty at all

<sup>1</sup> OJ C 131, 5. 6. 1978, p. 31.

**Fuchs**

about what will happen after that. Will air traffic control then revert to the national authorities. If so, it would undoubtedly be a step in the wrong direction entirely. Will it be possible to find a sensible solution at all after 1983? As far as I am concerned, this is an intolerable state of affairs. The President-in-Office of the Council of Transport Ministers, Mr Gscheidle, said a short time ago in the Committee on Regional Policy, Regional Planning and Transport that it was a bad day when it became evident that Eurocontrol would have to go. I can only say that I hope that was not the last word on the subject. We are now faced with the question of whether we can simply sit by and watch an established institution with seven member countries fall into disuse and the control centres in Maastricht and in Karlsruhe abandoned or at least cease to fulfil their true duties, and a technical standard — which is at least equivalent to the US standard and possibly superior to it — given up, while the safety installations used by the Member States of our Community are well below the Eurocontrol standard. Is there any sense, can there be any justification for abandoning an investment worth something like 1 500 million DM? Should the Community not devote some serious attention to this enormously important question? I know it could be maintained that Eurocontrol is a matter for the seven countries which are signatories to the Eurocontrol agreement. But I really wonder whether the Community can simply ignore questions which are as important as these. These remarks are offered in support of our question and, in particular, to point out how concerned people are about this matter. After this brief introduction I should just like to express the hope that the replies from the President-in-Office of the Council and of the Member of the Commission will help to allay our fears somewhat. For a long time we did not raise this matter, and I therefore think this House has a real duty to bring up this question again and again so that a solution can be reached in time.

**President.** — I call Mr von Dohnanyi.

**Mr von Dohnanyi, President-in-Office of the Council.** — (D) Mr President, I should like to begin by saying that my reply to the points that Mr Fuchs has made so forcefully will probably appear inadequate from his point of view and from the point of view of many other Members of this House. We are still in the process of coming to a decision, and the reply I can give you today is still basically a procedural one and is therefore only provisional. You will recall that I replied to questions on the subject of light safety at the last part-session. I pointed out in my reply that the Council had decided in July 1977 to have the question of whether certain air transport policy problems should preferably be dealt with at Community level investigated by the Committee of Permanent Representatives. In June of this year, the Committee submitted an initial report to the Council

containing proposals for a list of priorities for questions to be dealt with in this context. The Council thereupon instructed the Committee to continue its studies. On the question of flight safety in particular, I may say that the Council realizes its importance, but also realized that the question of renewing the Eurocontrol agreements was a matter for the member countries of Eurocontrol. If these countries agree not to renew the agreements or simply to let them run out, responsibility for air traffic control will revert to them.

In view of the factors I have just mentioned, the Council has as yet taken no decision on whether it would be useful to include civil air traffic in the common transport policy. The Council prefers to await the results of the work of the Committee of Permanent Representatives before expressing a view on whatever measures may need to be taken. Let me make the point once again that we are still discussing this question. As in the earlier case brought up in Question Time with regard to shipping, what we are faced with here is a highly explosive issue and one which is of great importance to cooperation between the Member States, and I hope that we shall be in a position to make rapid progress towards a decision.

**President.** — I call Mr Burke.

**Mr Burke, Member of the Commission.** — Mr President, the question of air safety is an extremely important one, and the House's and the Commission's concern with this matter have been well underlined during discussions on 9 May last and again on 12 October. I would draw the House's attention to the fact that I spoke at some length, on this important topic at the sitting of Tuesday, 9 May, pages 77 and 78.

I understand the objective of the questions posed to the Commission and the Council which is to facilitate, as Mr Fuchs has told us, preparations for the Parliament's hearing in February.

I should like to take this opportunity of assuring the House that the Commission will do what it can to ensure the success of the hearing, which should give rise to a comprehensive debate covering all aspects of the problem.

Now in response to the questions posed by the honourable Member, I would say firstly that from what I have been able to learn — and I would stress that the Commission is following developments closely — Eurocontrol will remain in being after 1983, concentrating mainly on planning, coordination, training and research activities. Direct operational functions will revert to state authorities. I should point out that under the provisions of the Chicago Convention, these functions are even now to a considerable extent in the hands of state authorities. I understand that technical experts take the view that if Eurocontrol's coordinating function is effective, air safety should not be adversely affected. Indeed, the removal of the artif-

**Burke**

ical separation of air traffic control responsibilities at a given horizontal level may even promote safety in the air.

That, Mr President, is the situation as I see it. The honourable Member and the House will, of course, appreciate that the Commission does not have at its disposal any technical operational expertise in the matter. In these circumstances, the Commission is not in a position to take any steps now, nor can it foresee what the operational problems may be in four years time.

The second point I would like to make is that air traffic control is a technical and operational activity, it is not part of market policy for air transport services. I might also point out that organization of the market is the Community's responsibility; safety functions do not necessarily come into this.

Finally, I should like to say that I look forward to the results of the hearing. If at that stage the honourable Member or this House feel that there are some new elements which should be examined, the Commission will certainly give them close attention.

**President.** — I call Mr Seefeld to speak on behalf of the Socialist Group.

**Mr Seefeld.** — (D) Mr President, ladies and gentlemen, I should like to say first of all that I hope that all those who bear political responsibility share our concern at the problems that are always arising in connection with air transport. All of us have expressed concern on more than one occasion in this House at the incidence of near-misses and the dangers we are sometimes exposed to while we sit quite unconcerned in an aeroplane.

Perhaps I may be allowed, though, to wonder whether there is really any point in Mr Fuchs and others tabling such a question at this stage. I rather doubt, Mr Fuchs, whether we could have expected any more from the Commission and the Council than what we have heard here today, because you know as well as I do that — as you yourself said — we had a debate on this subject here on 9 May. On that occasion, we adopted a resolution which contained a number of demands, and none of us is so wet behind the ears as to expect that the demands we presented to the Council and the Commission on 9 May could have been put into practice between then and now.

To concentrate for a moment on the question of timing, which came up — as Mr Fuchs mentioned — in the course of a discussion with the President-in-Office, Mr Gscheidle, on 25 October, you know perfectly well that the problem has long been acknowledged, that there is a great store of goodwill on this point and that efforts are being made.

What we really have a right to complain about is that too little has been done for years now, but we have no right to complain that no results have been forthcoming between 9 May and now. The period of time

has simply been too short and, as the President-in-Office of the Council pointed out, the Council instructed the Permanent Representatives in June — in other words, after our May resolution — to carry out a number of tasks, and the time since then has simply been too short. You may be surprised to see me adopting a different stance today from that which I usually adopt on questions of transport policy. Normally, my inclination is to attack the Council — with justification, as far as I am concerned — for not having taken enough decisions in the last few years in the transport sector, and I would stress the fact that I am referring to the transport sector. Mr Burke is always pleased on such occasions, because he usually gets off lighter than the Council in my criticism. I see him smiling again today, and I think he has every right to do so.

Ladies and gentlemen, as far as I am concerned, the point is not to exert pressure for pressure's sake. What we should be doing is putting specific questions which — and I hope Mr Fuchs will forgive me for saying so — could have been formulated rather better in his oral question. Our resolution of 9 May set out clear demands. It called on the Commission to study the possibility of improving cooperation between national air traffic control authorities, with the aim of ultimately setting up a single European air traffic control system. The Commission's reply is that it is perfectly willing to take such action but that the Council must cooperate, otherwise nothing can be done. We called on the Governments of the member states of Eurocontrol to define the tasks and responsibilities of this organization in a new convention to replace the existing convention which expires in 1983. In this case, we must wait and see what happens, because if this demand is to be met, negotiations will of course have to be conducted with the individual governments. We also called for Community measures to give renewed impetus to the application of research being undertaken in various countries. The question we must ask is what is actually being done? Who has been instructed to do what and by when? Honourable Members of the Christian-Democratic Group, I too am in favour of persistent questioning. But because of our great concern over this matter, we must be a little more specific and go beyond the kind of general discussion which we are once again having today.

My attitude is the same as yours, and I would point out how annoyed we all are to see the destruction of such a smoothly functioning organization as Eurocontrol and to see air traffic control reverting to the national authorities. I am in favour of the great expertise of Eurocontrol being made use of in a common European air transport policy and neither I nor, I am sure, Mr von Dohnanyi can be satisfied with the reply that the Council has not yet got round to formulating a policy on air transport. I do not think there is much point in conducting a debate like today's when Mr Gscheidle appeared before the European Parliament's

**Seefeld**

Committee on Regional Policy, Regional Planning and Transport on 25 October and, in an almost unprecedented manner, agreed with us and supported us on almost every question and expressed his readiness to cooperate with the European Parliament in making progress towards a European transport policy. We covered all these points in the Committee.

I should like to end by saying that all we can do now is to urge the Council — with the Commission's support — to ensure that the work it has commissioned is proceeded with rather more quickly. Ladies and gentlemen, I think it would be good if the President-in-Office of the Council could be in a position to tell us very soon that this work has been brought to a conclusion, that concrete results have been achieved, so that we in this House can hear the joyous tidings that the Council has done something and not let us down as it has done in other transport sectors. I hope, Mr von Dohnanyi, that you will take note of this request and discuss the matter with your colleagues.

**President.** — I call Mr Jung to speak on behalf of the Liberal and Democratic Group.

**Mr Jung.** — (*D*) Mr President, ladies and gentlemen, the two previous speakers, Mr Fuchs and Mr Seefeld, have pointed out that, as is also evident from the preamble to the oral question, the European Parliament has discussed the problems of flight safety on a number of occasions. As recently as the October part-session, we discussed this problem with special reference to the consequences for flight safety of industrial action by air traffic controllers. Then as now, our aim was not to exchange old arguments and advance new ones. The sole point at issue is the question of decisions on measures to be taken, and what I mean is effective and quick measures aimed at improving safety in air transport. I too regret the answers we received from the President-in-Office of the Council and from the Commission, which added nothing to what we had already heard. Indeed, Mr Burke, I must go even further and say that as an active private and military pilot, my hair stands on end when I hear you say so off-handedly that the reversion of air traffic control to the national authorities will increase safety and that safety matters are not necessarily the responsibility of the European Community.

It strikes me as odd to hear those responsible at national level for flight safety stressing over and over again how important it is to improve flight safety. Such declarations are normally followed by examples of the efforts that are being made at national level and calls for air traffic control to be placed on an international level. And that is as far as it goes. As we have heard, action has so far been conspicuous by its absence. Of course, a lot is sometimes done at national level, and I would just cite as an example the situation in the Federal Republic of Germany, which is what I am best acquainted with. There is now a ban

on contact flying above flight level 100, air space has been reserved for military training flights, controlled contact flying has been introduced, the flight information service has been extended, a maximum speed of 250 knots has been introduced for all civil aircraft below flight level 100 with effect from 1 April this year, private pilots have been given more intensive training and more detailed information on military activities, and a large-scale exercise carried out by the German Aero-Club has been successful in keeping private planes and gliders out of the military low-level flying space between 500 and 1 500 feet.

These are all undoubtedly welcome measures to improve flight safety, although they do not solve the real problem, which is to win over as many countries as possible for a common approach, and this brings us back again to Eurocontrol.

The air traffic control centre in Karlsruhe commenced operations about one and a half years ago, and the original plan was for Eurocontrol to run the control centre on its own. Under the present arrangements, Eurocontrol is responsible for the technical system — as the Member of the Commission pointed out — while the actual air traffic control is the responsibility of the Federal German Air Traffic Control Institute and Southern Sector Military Air Traffic Control. This form of cooperation was decided upon to avoid any difficulties which might face the staff in 1983 when the executive functions of Eurocontrol are scheduled to revert to the Member States. This is admittedly a socially responsible and far-sighted attitude, but unfortunately I feel it is a step in the wrong direction. It may be true that Eurocontrol is too expensive, but in that case it is the approach which is wrong, because it is the top level of Eurocontrol that is too expensive. Someone had to make this point, and if you want to make changes in 1983, by all means go ahead and make swingeing cuts at the top, but don't touch Eurocontrol's basic know-how, which is to be found further down the pyramid.

This brings me back to the control centre in Karlsruhe, whose job is movement control, including the direction of air traffic. It is also required to advise on air transport questions and to be responsible for alarm functions in certain air spaces. To ensure perfect air traffic control, Eurocontrol has worked out a technical system which gives the air traffic controller a picture of traffic which is produced by the automatic processing of radar data and flight-plan data. This up-to-the-minute picture of the air traffic situation is reproduced on the radar controller's screen. I do not want to go into any more technical details here, but I would like to point out that a plan is afoot to greatly increase the degree of automatization of the system stage-by-stage. Once the transfer of control over the upper airspace has been completed, the Karlsruhe control centre will have substantial spare capacity to enable it to deal smoothly with the greater volume of air traffic expected in the coming years.

Jung

Why have I said all this? Why have I reminded you of all this here again? My object was to show the Council and the Commission that it is foolish to base their policy considerations on the expiry of the Eurocontrol Agreements in 1983, which the replies we heard earlier show is what is actually going on. Eurocontrol's know-how has been put into practice in Karlsruhe and Maastricht, and these installations are ten years ahead of any others anywhere in the world. Such installations exist nowhere else in Europe and only in part in the United States.

Finally, as Mr Fuchs said earlier, you should not be so off-hand about throwing more than DM 1 500 million down the drain. An appropriate policy would be one which aims at retaining and extending Eurocontrol under the auspices of the Community beyond 1983, so that air traffic control in Western Europe does not continue to lag behind developments in air transport, particularly in view of the fact that air traffic is expected to more than double — in fact, to increase by 110 % — by the end of the 1990s.

On behalf of my Group, I therefore call on the Commission and the Council to take immediate steps to explore ways in which Eurocontrol's know-how can be put to good use within the Community and as to how a common policy on air traffic safety can be implemented and planned beyond 1983. It is now high time that planning got underway if we are to prevent the increasing number of near-misses in the civil and military air transport sector becoming hundreds of fatal collisions. Once these collisions start happening, ladies and gentlemen, it will be too late. The people of Europe expect the Commission and the Council to accept their responsibility in this matter and to take rapid action.

**President.** — I call Mr Nyborg to speak on behalf of the Group of European Progressive Democrats.

**Mr Nyborg.** — (DK) Mr President, I wholeheartedly agree with what has been said by my colleagues, and I can therefore be relatively brief, since if we all simply repeat what the other has said this will in no way bring us closer to achieving our very important objective.

It is not the first time Parliament has discussed flight safety within the Community, but I might be permitted to point out with all due respect that it strikes me as a little strange that my colleagues should have put the question regarding flight safety in this way, i.e. in the context of the common transport policy. What common transport policy? We have not got a common transport policy! Indeed, this is one of the things which we are very keen to establish, and one which we have frequently asked the Council to do something about. Parliament has been pressing for a common transport policy for many years, and we get

no response from the Council. I think that is an excellent opportunity to remind you of this.

When dealing with flight safety, one must inevitably also consider the problems involving Eurocontrol. For many years now Eurocontrol has produced results and coordinated safety in European air space. The organization also has research centres in France and a training institute in Luxembourg, and these activities which are carried out on the basis of European cooperation may have to be discontinued in 1983, when the agreements expire, because various Member States increasingly wish to make air safety a national concern. Many of us find this a dismal prospect, since we regard it as a step backwards rather than forwards. When matters of such great importance as air safety are at stake — not only in connection with freight traffic but to a much greater extent passenger flights, when it is a question of doing something to protect human lives rather than recklessly leaving things to chance, we regret that we should be taking steps backwards rather than forwards. As far as I can judge, Eurocontrol is a system which would be further developed and which some people are very much in favour of developing. It uses sophisticated technology, employs highly qualified personnel and, in my view, functions quite superbly. For this reason, I should like to urge all those who will be responsible for taking decisions in the near future on the fate of Eurocontrol to think carefully before they do anything.

**President.** — I call Mr Burke.

**Mr Burke, Member of the Commission.** — Mr President, I have very little to add to what I have already said. As I pointed out earlier, if Members refer to the previous debate, they will find on pages 77 and 78 fairly comprehensive reply which I gave during the very interesting debate which took place at that time.

In my enforced absence in October my colleague Mr Natali, replied on my behalf. May I point out concerning a point raised by Mr Jung, that I did not say that safety matters should not fall within the responsibility of the Community. I said they did not necessarily do so. There is a distinction there if he considers it carefully. I want, if I may, to bring an element of reality into this debate. I would point out, first of all, that no Member of this House is in fact more anxious than I am to further all aspects of common transport policy, and I hope that in the next week I shall be able to give an impetus to aviation policy on the other side of the Atlantic. But what would Parliament, the honourable Members and the Council say if I were to come here and propose a regulation stating that Community institutions and indeed my own Commission services take over the personnel and the functions of Eurocontrol? I believe that the answer to that question should introduce a degree of realism into the discussion.

**Burke**

Of course I am anxious to see movement forward in all aspects of transport policy but I have to work within the limitations imposed on me. I explained these limitations at some length in May, as did my colleague, Mr Natali, on my behalf, in October. We wish every success to the efforts of the honourable Members, but we must stay within the bounds of reality. As Mr Seefeld and other members of the Committee on Regional Policy, Regional Planning and Transport know, I have pushed very hard not only for this but for other aspects of the policy. But I have now reached the stage where I am going to remain clearly within the bounds of realism, and I want to make it absolutely clear to the House that until I see clear indications that people want me to move a little faster than this, I am afraid I must remain within the bounds of my stated replies. You will find on reflection and on further study of my replies that they set out the position quite clearly. I await the further reflection which we will have in February, and if you come back to me saying that there is now a full Community mandate for further measures in this regard, I shall be only too glad to welcome them.

**President.** — I call Mr von Dohnanyi.

**Mr von Dohnanyi, *President-in-Office of the Council.*** — (D) Mr President, I should like after all to come back on a number of specific points, particularly in the light of Mr Jung's remarks.

Allow me first of all to underline the fact that I welcome what Mr Seefeld said on the efforts we are making. I think, Mr Jung, that in talking about the development of Eurocontrol and ways of taking it over or incorporating it into some future system, we must bear two things in mind. Firstly, I must point out that the Council — by virtue of Article 84 (2) of the Treaty — may, but is not obliged to, decide on whether, and if so to what extent and by what means, regulations should be issued on aviation matters. It therefore follows that any such decision must be a unanimous one, and I would just draw your attention to this fact which — far from making things easier — is an additional source of difficulties.

The second point I want to make is that, although seven member countries of Eurocontrol are likewise Member States of the Community, the interests of those countries which are either associated with, or are working together with, Eurocontrol — including seven non-Community countries — must also be borne in mind in any negotiations on the renewal of agreements or the like. This again is something which adds to the difficulties.

Thirdly, practical experience has shown that although the Benelux countries, France, the United Kingdom, Ireland (with reservations) and the Federal Republic of Germany are all full members of Eurocontrol, only a few of these full members have fully honoured their

commitment to Eurocontrol, and a number of the organization's other member countries — and I would underline this fact — have repudiated their commitment either in whole or in part. Only one control centre suddenly started operating, and because of the situation I have described here rather briefly, work has had to proceed so far with the help of cumbersome legal and practical stop-gap measures. It is unfortunate that things should be so, but this is how things have worked out. The reason behind all this — and I think it essential that this be spelt out quite clearly and categorically — is that some of the member countries of Eurocontrol are unwilling to relinquish their sovereignty over air traffic control in their air space for a variety of reasons, which include defence policy considerations. This reticence with regard to the air transport sector is of course also evident within the Community and — as you said — it is our job to overcome it. I think so long as we are realistic about things and recognize the difficulties involved, as Mr Burke has just pointed out, we shall be able to see where our aims coincide and we shall get a clear view of the magnitude of the obstacles we shall have to overcome together to attain our objectives.

**President.** — I call Mr Fuchs.

**Mr Fuchs.** — (D) At the end of my introductory speech, I expressed the hope that things would seem a little easier by the end of this debate, and in particular that the President-in-Office's and Mr Burke's replies would introduce some positive aspects. I must say, though, that unfortunately I have not noticed very much of this in the course of the debate, although I fully appreciated the difficulties involved and the good intentions which were clearly behind the replies we received.

There are certain points, however, on which I cannot disguise my disappointment. Firstly, there is the point you made, Mr Burke — and you reiterated it very clearly with reference to what Mr Jung said — and you reiterated it very clearly with reference to what Mr Jung said — that the safety question was not necessarily connected with the question of market policy in air transport. You will forgive me for not sharing your opinion, but we may soon discover that what we are faced with here is a connection we simply cannot deny, because, as I said before, safety is an essential element of a functioning air transport system. I would be grateful if you would take a look at the legal side of the problem, so that no steps are taken in the wrong direction.

Secondly, I am afraid that what you said, Mr Burke, about the future of Eurocontrol did not allay my fears. On the contrary, they are now all the greater, because I got the impression that, after 1983, there may be a complete shift in emphasis within Eurocontrol, with the result that its true function — which, I would

Fuchs

admit, it is not fulfilling right now or at least is fulfilling only inadequately — will disappear entirely. What I am referring to here of course is coordinated air traffic control. But we shall certainly have to tackle this question sometime.

Thirdly, I would point out that, as far as the question of timing is concerned, a lot of time passes in this sector making the between investment and reaping the benefits. I have been told by experts that eight years can be expected to pass between planning and realization, which means that, as far as the timetable is concerned, we must urge all due speed.

Mr President-in-Office, you were right to point out that, after the resolution passed in May, the Permanent Representatives had been instructed to study this question. Please forgive me, then, for trotting out my concerns again on this point. The Permanent Representatives have for a long time now been engaged in the preliminary examination of another question, and I should like to ask you to ensure that this urgent question is dealt with quickly, but also thoroughly.

I should also like to address a few words to you, Mr Seefeld, I think we owe it to our electorate to deal with these questions not only in committee but also in plenary session. I was pleased to see that our oral question has in fact generated a number of comments and political statements which we regard as important. We should never let opportunities like these simply pass us by. I would concede that Mr Gescheidle gave the Committee full answers to all our questions, but I think that the people of Europe themselves have a right to hear these questions discussed publicly. I think this is the right kind of attitude for this Parliament to adopt.

I should like to thank Mr Jung especially for his clear and unequivocal comments which were exactly in line with the thinking of the Christian-Democratic Group.

I must also unfortunately agree with Mr Nyborg that our question was rather euphemistically formulated in referring to flight safety in the framework of the common transport policy. Of course, what we mean is the intended common transport policy, because such a policy does not yet exist in practice. My point, Mr Nyborg, was simply to be especially polite to avoid antagonizing the Commission and the Council right from the outset, which is what would have happened if our question had referred to the non-existent common transport policy. In reality, though, you are unfortunately all too right.

Finally, and despite everything, I think that this debate has helped to make people more generally aware of this important question, and I regard this as another step forward towards a more practical and concrete response to the problem. I should like to thank the President-in-Office of the Council and Mr Burke for their replies, even though I was not

completely satisfied with what we heard from them. My sincere thanks go also to the honourable Members who spoke in this debate.

**President.** — The debate is closed.

#### 10. *Council work on the protection of the environment*

**President.** — The next item is the oral question with debate put by Mr Willi Müller, Mrs Krouwel-Flam, Lord Kennet, Mr Lamberts and Mr Ajello to the Council on the state of the Council's work on the protection of the environment (Doc. 420/78):

1. How many proposals for directives, submitted by the Commission to the Council with a view to implementing the first and second environmental programmes, have not yet been adopted by the Council and what are these proposals?
2. How does the Council account for this delay and is it determined to make a special effort to catch up on the backlog and to set itself a time-limit for doing so?

I call Mr Müller.

**Mr Willi Müller.** — (*D*) Mr President, in speaking in support of my question I shall address the President-in-Office of the Council, as I wish — in view of our workload — to discuss certain points in depth rather than go into questions of detail. The question I have tabled today is one which has frequently been discussed both by this and by the relevant parliamentary Committee. We have already had occasion to point out that five years have elapsed since the Community's first environmental action programme, and on balance it leaves much to be desired. As always in this Parliament — and this is a point which should also be made for the benefit of the future directly elected members — it is very difficult to get hold of documents. I have done some research and have found — though I feel my findings may be contested — that from 1973 to the deadline of 31 December 1977 a total of 43 draft directives and regulations on the environment were submitted to the Council under the Community action programme. The Council passed 12 of these by the deadline, which means that there were 31 still to be dealt with. This figure is not only astonishing but also thought-provoking. In line with the trend of expressing everything in percentages, this means that only a third of what this House worked and voted on and submitted to the Council overcame the barrier of the Council, and that two-thirds were left in abeyance.

This is particularly unfortunate, as environmental protection and the improvement of the quality of life in the nine Community countries cannot be seen in isolation: indeed, they have had a colossal impact on the Member States — for example, they have given rise to new political parties. I believe that the three institutions involved — the Council, Commission and

## Willi Müller

Parliament — would do well to show that, despite all the difficulties, they are prepared to clear up the backlog to which I alluded in my question. I would have been happier if the Council had drawn up a list of priorities — quite a feasible task — and had said that it would make a sustained effort to deal with each point in turn and to ensure that all these major issues are settled. As no such statement has been made, we in this House are naturally anxious to know why the Council has not completed its tasks. Why is the nine months' time-limit — we were told in reply to one of my questions that this time-limit was non-binding and flexible — repeatedly violated?

The main reason for my remarks, Mr President, is that even when a directive or regulation gets past the Council, other interminably protracted deadlines are set which force the national legislatures of the nine Member States to turn Community law into national law, and this is something on which I am sure Mrs Krouwel-Vlam will beputting a supplementary question. What way do we in Parliament have of knowing that the results of our efforts are turned into national law?

As I have said, Mr President, I don't want to dwell on matters of detail. I have said what needed to be said in my two questions. We feel that, if the situation is to improve, matters will have to be handled differently, and we are particularly anxious that we should at least receive reasoned notification of outstanding items on which Parliament has voted. We should be told what is holding the Council up, and these items would also perhaps be referred back to us. Parliament could be told it had gone too far and that — taking the path of least resistance — it should come up with something new. This is the least we can expect. We are of course also interested to know why, for example, the directive on lead in petrol has been adopted by Germany, but only partially by other countries, which means that Community law is inconsistent on this point. I feel that this is a fair question.

A second point I would like to make in this connection, Mr President, is that we have the impression that the Council has amended the small number — 30 % — of directives to which I have been referring. Parliament, however, which worked — and worked hard — on these directives, has received absolutely no notification of these amendments. We have not been given any reasons, or even any information about what has been amended. We will have to read it up for ourselves later.

Finally, Mr President, although we might be able to accept all this, I should like to make a basic criticism about a point which I find disturbing. I have long been concerned with environmental questions in my own Parliament, and I have found that, under existing

legislation, none of the nine national parliaments is able to introduce a law on the environment without the Community's consent — and this is a little-known aspect of the matter — as the draft directives or regulations submitted by the Commission are scrutinized by the so-called experts from the member countries. I am sure I am not sticking my neck out in saying that these are in my view not experts, but rather the emissaries of the national governments sent to look after their governments' interest. This is, I believe, a simple statement of fact. And if they are involved when the Commission begins to work on a draft directive, why is it that later, in the Council, there is as much disagreement as the situation now suggests. Matters are thus complicated even more.

Those are my comments, Mr President of the Council. I would be happier if less of the proposals for the improvement of the environment dealt with by this House were consigned to the shelves of the Council. I would be happier — and I am sure many people in the Community share my view — if the Council would deal more energetically with proposals worked on by the Commission and Parliament.

**President.** — I call Mr von Dohnanyi.

**Mr von Dohnanyi, President-in-Office of the Council.** — (D) Mr President, I should like to make a few preliminary comments. Firstly, the impatience on this matter is both understandable and widespread.

Secondly, in our experience a long time elapses, in all societies and countries, between the realization of the need for environmental protection and the implementation of decisions.

Thirdly, we are all experienced parliamentarians and know that it is easier to make general observations than, for example, to adopt a firm stand in carrying out environmental measures which may adversely affect employment in one's constituency.

Fourthly, I should like to take the sting out of Mr Müller's question as to why the regulation on the lead content of petrol was passed in Germany and not in other countries by pointing out that a Council meeting of environment ministers will be held in December at which Germany will — if I may speak in my national capacity — be able to agree on many points. However, we shall again have difficulties with one issue concerning sulphur and sulphur dioxide.

I say this because I don't want people to think that anyone in the Community is better than anyone else. We all have considerable problems. In face of all these difficulties the Council has for several years been making persistent efforts to promote environmental protection on a Community scale; those efforts have culminated in the first and second action programme on the environment.



von Dohnanyi

I am pleased that this question has been raised here today, as it gives me the opportunity to outline the progress achieved by the Council to date on this subject.

The Council received ten proposals from the Commission more than 9 months before the start of the first and second action programme. I can show this list to any Members who wish to consult it. The proposals are as follows: four proposals for directives on water, including one on marine pollution; three proposals for directives on air pollution by sulphur dioxide and lead; one proposal for a directive on the protection of animals and birds, and a recommendation on economic questions relating mainly to the costing of industrial anti-pollution measures.

There are various reasons for the delay in passing the proposals — textual, procedural or technical problems, or a combination of these. In any case, if I am say so, the European Parliament's comments were sometimes submitted rather late. The Council would be gratified if we could coordinate our work-rate in certain points.

The Council is actively pursuing its work on the Community environment policy. As I have already said, the presidency intends to hold a meeting on environmental questions in December, at which the Council will be concentrating on several major proposals. These include not only earlier proposals which were the subject of today's question, for example, the proposal for a directive on the pollution of water by the cellulose industry, the quality of drinking water and the protection of birds — but also more recent proposals such as the proposal for a directive on the protection of ground-water and the recommendation on the coating of industrial anti-pollution measures.

I would point out to Mr Müller that the presidency dealt with the question of priorities in environmental protection even before 1 July 1978. We drew up a list of all outstanding proposals and tried to determine when each of these could be adopted. In this sense we have already complied with your wishes and recommendations. I am sure that after the Council meeting in December — if we can establish what proposals have and have not been adopted — the presidency will provide another list which will again seek to determine the time and means necessary to adopt the proposals. As I have said, we face a wide range of problems, and I expect that when we vote on the proposals at Community level we shall frequently have to contend with conflicting interests. This should not discourage us, but it does mean that we must not underestimate the hard and demanding work needed to bring about the gradual implementation of measures to protect the environment.

**President.** — I call Mr Jahn to speak on behalf of the Christian-Democratic Group (EPP).

**Mr Jahn.** — (D) Mr President, ladies and gentlemen, on behalf of the Christian-Democratic Group I should like to congratulate the questioners for raising this issue and add a few comments on the matter in hand.

Parliament has frequently had occasion to question the Council on its progress in adopting environmental programmes. I would remind the House that in April 1976 several members of the Christian-Democratic Group tabled an oral question to the Council concerning the adoption of the 1973 programme. The Council was asked, among other things, whether it appreciated the urgent need to speed up the implementation of a Community environmental policy, regardless of whether the government experts were prepared to work at least at their normal speed in submitting their opinions.

At the November 1976 part-session the Council was questioned on the same subject, i.e. the implementation of the first environmental protection programme, by members of various groups, we wanted to know whether, in view of the Council's inability to expedite the adoption of the proposals for directives based on the programme, if it thought that the programme — which it had approved itself — was too ambitious. The Council was also asked to state how it could speed up its procedure for adopting the programme.

I subsequently reminded the House of the oral question which Mr Ajello and Lord Bethell put to the Council in September 1977 on behalf of the Committee on the Environment, and the purpose of which was to find out the reasons for the unsatisfactory outcome of the Council meeting of environment ministers on 14 June 1977. The Council was asked whether it felt that these delays, which had led to a gross violation of its self-imposed time-limit of nine months, damaged Europe's credibility at a time when the citizens of the Community were becoming increasingly concerned about the quality of life and their environment.

On each occasion the current President-in-Office answered with fine, soothing words and painted a rosy picture of the future. Specific questions concerning the reasons for delays or the possibility of rationalizing and speeding up the decision-making process have never been answered in a clear, straightforward manner. Sadly, despite all the Council's promises and assurances, we have to conclude that the Commission's unprocessed proposals on environmental protection — as Mr Müller said when quoting his figures — are virtually threatening to clog up the Council's shelves. They are steadily growing in number, even though the Commission — let us be quite clear about this — is way behind schedule in submitting its proposals for directives under the 1973 and 1977 programmes.

I should just like to mention a few cases. The adoption of proposals for directives on ceramic food

**Jahn**

containers and on the reduction of water pollution by the cellulose industry, quality standards for drinking water and for the lead content of air has been overdue since 1975.

Since 1976 we have been waiting for a decision on proposals for directives on the use of fuel oil to reduce sulphur emissions, the sinking of waste in the sea, health protection standards for sulphur dioxide and particles in the atmosphere in conurbations, subsonic aircraft noise, and water quality in mussel farms. In 1977 the Council should have taken a decision on the protection of birds and the permissible noise level of pneumatic drills, compressed-air hammers, tower cranes, welding current and high-power generators, etc. We would ask the President-in-Office to pass on the list of proposals to us as suggested, so that when the Council has finished telling us of its good intentions we can get down to serious discussions.

The Council has been particularly slow in dealing with the Commission's proposal for a first regulation fixing maximum levels for insecticide deposits on and in fruit and vegetables. This proposal has been before the Council since 28 November 1968. This House gave its opinion on this proposal on 1 July 1969 on the basis of a report by Mr Boersma.

I could go on like this, and we wonder how the situation is going to develop. The proposals I mentioned have been before the Council for over 9 months and even several years. As we all know, the Council has failed to fulfill its commitment, undertaken at the time of the first programme, to reach a decision within 9 months of receiving Commission proposals. As far back as April 1976 Mr Früh justifiably raised the question as to what extent legal action could be taken to get the Council to reach a decision. On behalf of my Group I would ask Parliament's Bureau to examine this fundamental question, if necessary after receiving the opinion of the Legal Affairs Committee, and to report to the House on its conclusions and on the practical steps to be taken.

I should like briefly to ask a further fundamental question on the possibility of simplifying and speeding up the Council's decision-making process. Must the Permanent Representatives Committee — for which the EEC Treaty makes absolutely no provision — be invariably consulted in several, frequently protracted phases? And another question also needs to be repeated — does the Council really need to consult experts when the Commission already refers its proposals to experts and specialists. We feel this is only necessary in exceptional cases. In any case, my Group cannot help thinking that the Council does not have sufficient confidence in the Commission, and indeed that it has grave misgivings about its competence and sense of responsibility. We therefore expect the Council to give an unequivocal answer to this question. Finally, we would ask the Council to tell us when — now that we have been discussing the list of

proposals — the Council intends to decide on the outstanding proposals. I am not referring just to the directive on the protection of birds, although, as you know, I am very concerned about this proposal, and we have been awaiting the decision on it for over a year.

The Council would be well advised to adopt a more business-like approach at its next meeting, which should of course allow sufficient time for discussion and not just make do with half a day. It is high time the Council made a really determined effort and held a marathon session, which it has often done when dealing with other sectors. This is the only way we can restore the European citizen's already weakening confidence in the Community and its political will in this area. In Germany, we have considerable experience of citizen's environmental protection movements.

In view of the approaching direct elections — and the Council shares our view that as many people as possible should take part in these — we feel it essential to put an end to this shilly-shallying.

In conclusion, the effects of Community environment policies have so far hardly been felt by people of Europe. This is because the Community's environmental action programmes of 1973 and 1977 have so far not led to many concrete national measures to protect and improve the environment, although both programmes were passed by the Council. Only the effects of the 1975 directive on the disposal of waste oil are beginning to be felt, as it has been in force in the Member States since July 1977.

I shall wind up now, Mr President. We would be very grateful if the President-in-Office could give a detailed answer to our questions, if possible without confining himself to the text prepared by Council officials.

**President.** — I call Mrs Scuarcialupi.

**Mrs Squarcialupi.** — (*I*) Mr President, Mr President-in-Office, this publication with a rather drab cover represents many days' work by Members of Parliament, experts, officials and interpreters; it has cost millions of units of account; in a sense it expressed respect for the treaties, and the hopes of our citizens; but unfortunately it also contains 400 directives still awaiting approval by the Council of Ministers. Of course, not all these directives concern the environment, for they concern every sector. We are particularly interested today in those concerning the environment, which also have important consequences for public health. Only yesterday evening in this House we approved medical research projects in public health and a multi-annual programme of environmental research. Now, we are wondering how, and with what confidence, we can approve new programmes when the old programmes have themselves not yet been approved by the Council of Ministers and have therefore not been implemented in the

**Squarcialupi**

Member States. After the first action programme came to an end, in 1977, the Council in launching the second action programme, undertook to give absolute priority to completing the measures which are included in the first programme, by approving the main directives which, as earlier speakers pointed out, are especially important not only for the environment in an abstract sense but for the very health of our citizens.

Let us turn now the condition of the environment, which has been badly damaged in all the Member States of the Community and requires immediate, drastic and large-scale measures to remedy this damage. There is now a high level of popular awareness of environmental problems. I think that each of us knows that at least every other Sunday in our constituencies people hold a march to save a wood, to protest against a nuclear power station, or for some other ecological cause, sometimes rather misguided, at other times justified. At the same time these people are making their voices heard by organizing themselves into pressure groups and also in political parties in the name of the environment. Inflation and unemployment have sharpened our citizens' interest in nature. They look to nature for values — perhaps of a nostalgic kind, such as a return to the good old days — or they realize that nature is a common good which has been spoilt by the greed of a few.

At the same time we are aware that the Community Institutions are the most suitable agencies for dealing with certain environmental problems, for, as we have seen on many occasions, the environment knows no frontiers. Action to protect the environment — in this I would also like to urge the Council of Ministers to take the necessary decisions — now appears as an inexorable and irreversible need — a need which is cultural and political, and which is felt above all by the younger generation, for whom we fail to provide work; let us at least not deny them reasonable use of the gifts of nature. I therefore urged the Council of Ministers of the Nine Members States yesterday, almost in the same terms, to do its best, as Parliament has done its best, taking account of general rather than particular interests, and above all respecting our peoples' demand for unpolluted environments and the safeguarding of natural resources, remembering the responsibility which they, the ministers, have not only to those alive today but also to future generations.

**President.** — I call Mrs Krouwel-Vlam.

**Mrs Krouwel-Vlam**, *chairman of the Committee on the Environment, Public Health and Consumer Protection.* — (NL) Mr President, environmental pollution is a grim reality which has had a considerable impact on public and political opinion. For example, it has led to the forming of new parties and groups. Anxiety is also felt at Community level; indeed, many environmental protection problems can only be over-

come supranationally. The Community's first action programme on environmental protection made provision for an information system, under which Member States are required to keep the Commission informed of proposed anti-pollution legislation. Member States are required to delay their own plans if similar proposals are being prepared at Community level. However, the drafting of new proposals by the Community is closely linked to the implementation at national level of legally enforceable decisions by the Council.

My question to the President-in-Office of the Council is as follows: In the Council's view, what practical possibilities exist to enable the Commission, with its present resources and powers, to guard against delays in implementing Community environmental laws at national level and to ensure more effectively than in the past, using legal and political means, that the dates set for implementation are complied with, so that European and national environmental protection policies are not brought to a standstill by failure to apply Community law at national level?

**President.** — I call Mr Eberhard.

**Mr Eberhard.** — (F) Mr President, the question we are debating today is important. The quality of life is spoiled by nuisances of every kind, but these are not inevitable — their causes are well-known.

The encroachment on public property of industrial concerns and the organization of town and country planning to serve their interests result in the concentration of industrial nuisances and in urban concentration. Because of this, we are witnessing in all the countries of the Community — to mention only those countries — a rapid and disturbing deterioration of the natural environment. All rivers are polluted on varying degrees: the Rhine is said to be the most chronically polluted river in the world, and the condition of the Seine is similar.

In another field, we were all shocked last spring when the oil-tanker *Amoco Cadiz* ran aground on the coast of Brittany. Now, it should be realized that the 230 000 tonnes of oil discharged by this ship represent only 5 % of the oil annually discharged into the sea by similar ships, especially those sailing under flags of convenience. If I had the time, I could mention similar situations relating to the air, the forests, and wastes of every kind.

We are therefore faced with a series of problems common to all our countries. As the debate has confirmed, we are obliged to note the absence, apart from a few declarations or principle, of positive action by the Community to help to solve these problems. The Europe of the quality of life has yet to be created. But if there is a field where European cooperation would be useful and sometimes indispensable, it must surely be this one.

Let us, then, ask ourselves this question: if the Community is not taking steps in this field, is it

**Eberhard**

perhaps because it is more sensitive to the concerns of the large industrial companies than to the protection of the natural environment? Does this not emerge from a reading of Communication No 121/78 of the Commission of the European Communities, which states that 'unilateral Community measures would be liable seriously to jeopardize Community trade'.

Since the President-in-Office of the Council has just announced a special meeting in December, if I understood him correctly, I should like to make a few suggestions. It seems to us that the Community should play its part in ensuring that a series of measures is adopted at national and Community levels, with a view to preventing or reducing the various kinds of pollution and to applying the principle that the polluter pays.

With regard to waterways, the needs are : firstly, to set up installations to carry out permanent checks on rivers and streams, and to make a special effort to check on large industrial complexes ; secondly, to propose methods of combatting industrial effluent by taxing the companies responsible, since they use the waterway network to get rid of their wastes ; thirdly, to set up installations for recycling the raw materials which are very often found in large quantities in these wastes ; fourthly, to institute a research and development programme in the various sectors where the non-utilization of by-products is the main polluting factor ; fifthly, to give priority to helping small and medium-sized firms to take the necessary measures, making particular use of the resources of the European Investment Bank.

With regard to the protection of the sea, it seems to us that the Member States of the Community should, as a matter of urgency, have the international conventions and agreements of which they are signatories ratified by their parliaments. They should take strong action against flags of convenience by refusing entry to their ports to ships which do not come up to the required standards. The Community should urge the Member States to create the thousands of jobs needed in the research field, where there is so much to be done. It should urge them to adopt a single coordinated policy with regard to equipment, resources and research for combatting pollution.

These are our proposals in these two fields. I repeat that we want to see that widest possible European and international cooperation on this subject, provided that the independence of each country is respected. For example, why not organize exchanges of views on the environment and the quality of life? If these contacts gave rise to a need for a European environmental charter, we would be in favour of such a proposal.

IN THE CHAIR : MR BERKHOUWER

*Vice-President*

**President.** — I call Mr von Dohnanyi.

**Mr von Dohnanyi, President-in-Office of the Council.** — (D) Mr President, I should like to wind up

the debate by making a number of comments. Firstly, I am afraid I can say nothing to assuage the fears of Mr Eberhard, as it is — regrettably — an established fact that environmental pollution has nothing whatever to do with the organization economic or social system. I am sorry to say that the environmental problems of the East are every bit as serious as those of the West. For example, we in Germany, with the frontier between the Federal Republic and East Germany, face considerable water pollution problems on the Weser, because potassium salts from East German factories are unceremoniously dumped into our waterways. This has nothing to do with the economic system, and sadly the same applies throughout the world. It would be reassuring if the system was a factor, for then we could solve the problem by adopting a new system, but unfortunately this is not the case.

I agree with Mrs Squarcialupi that there has been a considerable change in public awareness. I appreciate her reference to the action groups which have sprung up and which the Council is of course noting with growing interest.

If I may address the different sides of the House, I think we are once again dealing with a case of what is one man's meat is another man's poison ; in other words, the problems we have with bird protection, for example, cut right across Europe, and the Member States have their own political problems which may cut right across the various parties. Thus, bird protection is not hampered primarily by the sluggishness of the Council but, as everyone here knows, Mr Jahr, by the internal political problems associated with this area of policy. The Council is aware of this problem and is trying to come to terms with it, but it is difficult to reach decisions.

If I may address Mr Eberhard one again we see — turning from the subject of birds to the protection of whales — that a country's observance of catch limits is in no way dependent on its economic system. This is therefore another situation which needs to be looked at. The problems are much more complicated and are linked with the economic and structural interests of the countries concerned. This also applies to Community countries. I agree with what Mrs Krouwel-Vlam had to say about national regulations in the Community and about eliminating distortions in competition. That is precisely what the Council has been trying to do. The proposals for directives and recommendations before us are an attempt to deal with problems at Community level which would persistently cause problems of competition if dealt with nationally — quite apart from the problem of competency.

von Dohnanyi

I shall now reply to Mr Jahn. The Council does, of course, have faith in the Commission, and it does not need experts to supplement or check the Commission's work. However, it does need experts to help it to bring recommendations in line with the fundamentally different systems in use in the nine Member States.

In reply to your question on deadlines, we intend to deal with individual proposals for directives at the next Council meeting of environment ministers in December. We hope to be able to achieve a great deal and take a number of decisions; outstanding decisions will be dealt with in the next phase of this endless and demanding process.

To turn to Mrs Krouwel-Vlam's question on the extent to which we can monitor the implementation of proposals the Presidency could ask the Member States to report to it regularly on its progress in implementing the proposals and thereby exercise some control over the success of this procedure. In principle, all that is needed for this procedure to be initiated is for one Member State to make the appropriate application to the Council. Thus — to put it delicately — a political 'mood' might be created which could be conducive to the implementation of directives in the Member States. We shall ascertain whether there is a need for such an arrangement, and if so what steps can be taken.

Allow me to end on a humorous note. Mr Müller just wound up his introductory remarks by saying that the Council should not let its shelves get clogged up, and then he mentioned that the Council should have more power to its elbow. It has occurred to me that a very fitting slogan for our work would be 'Less shelving, more pushing'. We may do well to think about this from time to time.

**President.** — I call Mr Müller.

**Mr Müller.** — (D) Mr President, I was most reassured by the remarks of the President-in-Office of the Council on creating a political mood. Knowing him to be a man of his word, I would urge him to discuss this matter at the meeting of environment ministers in December to see how we can come to terms with this situation — and I think I speak for all committed environmentalists in this House, of whom there are many, although few are present today. The President-in-Office is not a minister, but a politician just like us, and politicians who use two thirds of their energy producing documents for the wastepaper basket become disillusioned in the long run. As I believe that there are also politicians on the other side, they should appreciate more clearly that a solution must be found. I am also speaking for those who have been working hard and painstakingly in this area and who now find that no further progress is being made. That is quite briefly, my plea. I see that the President-in-Of-

fice is nodding. I think that this plea should be made at the environment ministers' meeting in December and that they should try to work out how we can inject greater cohesion into our efforts towards overcoming these problems.

**President.** — I call Mr von Dohnanyi.

**Mr von Dohnanyi, President-in-Office of the Council.** — (D) I shall earnestly endeavour to retain the sense of urgency which was apparent in Mr Müller's closing speech, and I can promise that I will instruct the Chairman of the environment ministers, Mr Baum, to discuss this matter with the ministers once again in the light of today's debate.

**President.** — I note that there are no more requests to speak. The motion for a resolution will be put to the vote as it stands during voting time tomorrow. The debate is closed.

#### 11. Education in the European Community

**President.** — The next item is the report (Doc. 410/78) by Mr Power, on behalf of the Committee on Social Affairs, Employment and Education, on aspects of education in the European Community.

In view of the late hour, I would ask you to be brief, since there is a very long list of speakers.

I call Mr Power.

**Mr Power, rapporteur.** — Mr President, it is an honour for me to present this report on aspects of education in the European Community on behalf of the Committee on Social Affairs, Employment and Education; and it is indeed nice to know that this particular report and the debate on education has aroused such interest and the desire to speak among so many Members.

The current educational cooperation derives from a resolution adopted by the Ministers of Education, meeting within the Council, on 6 June 1974, which advocates European cooperation in education with, as a first step, an Education Committee to try to promote harmonization of the different educational systems and compile documentation and statistics. This very modest first step, a mere programme declaration, was followed up some two years later by an action programme in the field of education.

The report by the Committee on Social Affairs, Employment and Education, on aspects of education in the European Community has been confined to a consideration of those documents that are available from the Commission. These are: (1) a communication on the teaching of languages in the Community, and (2) a communication on the study of the European Community in schools. The result is a first report on education in the European Community in 1976-77.

## Power

The document on education in the European Community in 1976-77 summarizes important educational matter dealt with during those years and outlines developments involving cooperation with education in other sectors such as vocational training, regional development and environmental policy. It is not our wish to direct any member country as to the type of educational programme that they should adopt.

As regards the document 'The teaching of languages in the Community', the aim of that programme is to ensure that all Community citizens are able to communicate with each other in at least one language other than their own mother tongue. I feel we have our priorities correct in this case. To understand each other properly, we must be able to communicate on a person-to-person basis; a facility with language will enable the communication to begin, and this will, one hopes, be followed by understanding and cooperation.

Emphasis is laid first of all on the fundamental importance of the training of language-teachers. To enable them to impart their knowledge to pupils with maximum effect, they must spend a period of study in the country where the language they are to teach is spoken.

The Commission therefore requests the Council to establish a Community-wide scheme for the exchange of teaching assistants. Specifically, the Commission advocates the introduction of a programme for 1980-83 involving an annual total of 10 000 foreign-language teaching assistants in the Community as a whole. In its communication, the Commission also emphasizes the importance of the exchange of pupils in the form of group visits, vacation activities and field study programmes.

The Commission programme also includes pilot projects covering the whole area of pupil exchanges. It feels that these pilot projects should focus on exchanges involving handicapped children, students engaged in technical and vocational studies and even exchanges for much younger pupils, those under 14 years. The Commission will be responsible for coordination and for 50 % of the cost of these exchange programmes. Finally, the Commission proposes that those Member States which have not yet set up advisory services should do so as soon as possible with a view to promoting group visits and pupil exchanges.

The Commission's communication devotes a special chapter to schools teaching through more than one language. These schools, which over an initial period would naturally be limited in number, would be included in the European Community Schools scheme. It is hoped that the scheme will operate over an initial five-year period, by the end of which the Community should have specific plans for at least 20 European Community Schools.

This concern to improve language-teaching dates back sometime. The European Parliament, too, was expressed concern on several occasions. The most recent example was the motion for a resolution tabled by Mr Wawrzik and others on foreign-language teaching in the Community, which urged that one and the same language should be taught as the first foreign language in all Member States.

Members should also be made aware of the motion for a resolution tabled by Mr Pisoni and others on the possible adoption of Esperanto as a working language of the European Community. There was a broad consensus in the committee to reject this idea, on the grounds not only that Esperanto was an artificial language, but also that the addition of a further language would increase rather than diminish our linguistic difficulties.

I find it necessary here to place on record my own attitude to Esperanto, because misguided or mischievous correspondents from a daily paper in my country wrote that I personally favoured Esperanto and was anxious to have it adopted as the language of the Community. The facts are that Mr Pisoni and others tabled a motion regarding Esperanto that was referred to the Committee on Social Affairs, Employment and Education for its opinion; and so it was necessary to have it mentioned in my draft report. I did not share the views of Mr Pisoni and others regarding Esperanto, I made that quite clear at the meeting, but I had to ensure that their view were raised: the opinion of the committee was ascertained and is included in the resolution.

Personally, I feel that it is quite right to give a very high priority to foreign-language teaching, as this is essential to ensure improved understanding among the citizens of the Member States; but this does not mean that we should strive for uniformity throughout Europe. On the contrary, the existing languages and cultures must be preserved, both now and after enlargement. The committee feels, therefore, that every child in the Community should be given an opportunity to acquire a sufficient knowledge of a last one Community language in addition to his or her mother tongue, to enable him or her to use this foreign language in contacts with other Community citizens.

During the discussion of this report, concern was expressed that the mobility of pupils and the exchange of pupils be assured and that support measures be made available to assist pupils from areas that are geographically remote or who are otherwise disadvantaged, such as the children of poor families, to enable them to take part in these pupil-exchange programmes. I must emphasize that, if this programme is to function properly and cherish all children equally, these support measures must be available at the very start, and we must avoid a programme that will place some pupils outside the benefits because of travel difficulties or personal lack of finance. It should not, however, be overlooked here

## Power

that there is a large category of people who either have special difficulty or show little interest in acquiring foreign languages. The committee feels, therefore, that special priority needs to be given to the pilot projects concentrated on foreign-language teaching and that the Community should support these projects.

On a final point, the committee wishes to draw attention to the fact that some 30 million Europeans within the Community do not even have an official Community language as their mother tongue and so, when we endeavour to introduce common means of communication, we should not lose sight of the important task of preserving the great wealth of language and culture represented by the many ethnic and linguistic minorities in Europe.

As in the case of the communication on foreign-language teaching, the Commission's communication on the study of the European Community is a follow-up to the action programme in the field of education, although it also embodies several demands made in the past year by this Parliament for action in this specific sphere. The Commission proposes that in the course of their schooling, pupils should be taught the following main subjects: (1) the Community in its European context, with emphasis on the historical and political background which gave rise to its creation; (2) the Community in action, its powers and its achievements and problems and (3) the Community vis-à-vis the rest of the world. The Commission also proposes that the Council at its meeting in November this year should approve the principle that the study of the Community should be regarded as an essential element in the education of all pupils in Community schools, and that these pupils should therefore be given the opportunity to undertake such study at secondary level.

The Committee on Social Affairs, Employment and Education sets great store by a continuing dialogue with the Commission on educational matters where the Community can play a positive and practical role. As a start, there should be a very searching debate on the whole question of language-teaching. The action taken by the Commission in the form of pilot projects, seminars and the production of documents is therefore welcome, and ample funds should be set aside for the purpose. In particular, the highest priority must be given to solving the problem of children of migrant workers, whether they come from Member States or from States outside the Community. However, if this desirable cooperation with the Commission is to yield benefits commensurate with the efforts put into it, it is essential that the Commission should make greater allowance for the European Parliament's need for reasonable time to consider the Commission's various proposals.

Some of the Members of Parliament may be disappointed that some particular aspect of education in which they are interested is not included in this report. I am sure that many would feel that in an unfavourable employment situation we should concentrate on the preparation of young people for work to facilitate the transition from education to working life, or possibly to devote more time to vocational training. This very vital subject was discussed almost three years ago, and is still being done in this field.

Others may feel that an educational programme cannot be aimed solely at work, but must also educate to enable us to use our leisure time properly. Leisure time will become increasingly more important, and how it is utilized determines the type of society that will emerge. It will have repercussions on the health and the attitudes of citizens, on morals and the entire way of life in each Member State, and perhaps a detailed study of education for leisure would be a worthwhile exercise to be done in the near future. However, we feel that the measures outlined in this report concerning language-teaching and a study of the Community will lay the foundations for a greater personal communication within the Community and a greater knowledge of the Community and what it means. And if we achieve our aims, we shall have done a good day's work.

In conclusion, Mr President, I would like to thank all those who helped me in the preparation of this report: the members of the Educational Committee that showed great interest and gave such assistance; the members of the secretariat of the committee too, and those members of the Commission who deal specifically with education and are often the subject of criticism. Most people consider themselves experts on education and base this on the fact that they spent some time at school. In contrast, it is extraordinary that those who have spent some time in hospital never consider themselves experts in medicine. However, I feel sure that the matters we have raised in the report will arouse your interest and I look forward eagerly to the contribution of the various Members here.

**President.** — I call Mr Meintz to speak on behalf of the Liberal and Democratic Group and as the author of two questions on the same subject (Docs. 338 and 339/78).

**Mr Meintz.** — (*F*) Mr President, I first want to thank Mr Power for his report, which appears at an opportune moment, for on 27 November next the Ministers of Education will meet in the Council. If my information is correct, this will be their fifth meeting since 1971, when they gathered for the first time. It is therefore essential that this House, which from the begin-

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ning has consistently supported any Community action in the educational field, should once more clearly express its views on this subject.

The reason why, on behalf of my Group, I put two supplementary oral questions to the Commission and the Council was firstly to stress the importance which my Group attaches to educational questions and therefore to the results of this ministerial meeting, and then to tackle, in addition to the specific subjects dealt with in Mr Power's report, namely the teaching of languages and the study of the European Community, a few points which in my view deserve our attention. I am thinking particularly of the role of systems of education in combating unemployment, of the mutual recognition of diplomas and of the creation of a 'University Europe'.

Before dealing briefly with these points, I should like once more to stress the importance of Community action in this field. Indeed, although the references to such action in the Treaties are somewhat rare because of the essentially economic powers of the European Community — and I shall not quote the four articles in question — It has nevertheless become clear over the years that it is impossible to separate economic needs from training systems and that the economic and social objectives of the Community can be achieved only if economic and social policies are accompanied by suitable education policies.

Let us take a very simple example: nowadays small and medium-sized States no longer have the means for acting in every field of research, technology and advanced education. Yet there is no doubt that to meet the technological challenge of the other industrialized nations, Europe must remain in the spearhead of progress. How? It will be enough for the Member States to pool their resources. That implies free circulation in the Community of research workers from the various European countries, which in turn presupposes knowledge of foreign languages, the mutual recognition of diplomas and increased cooperation among universities. I could continue this list indefinitely to show that Community action in the field of education is in fact a spontaneous response to needs arising from European practice, i.e. a progressive Europeanization of economic, social and cultural life. The adoption on 9 February 1976 of the education action programme constitutes in my view an irreversible recognition of a truly European educational dimension.

However, to acknowledge the importance of Community action on education does not mean that it is necessary to draw up in the short term a common European policy aiming at complete harmonization of all educational structures. Such an aim would be neither realistic nor desirable, for the richness of Europe, as Mr Power has just stressed, lies precisely in the diversity of our traditions and educational systems.

What we need are practical measures in specific fields to interest young people in the Community, for let us not forget that the fate of European integration depends largely on the interest which young people will take in it in the years to come. The prospect of elections to the European Parliament by direct universal suffrage makes this task even more essential.

Mr President, I should now like to deal briefly with the various measures which in my view deserve special attention. The first concerns the role of educational systems in combating unemployment. In view of the number of young people affected by this unemployment, nearly 22 million, I think that the need for action in this field is self-evident. Although the short-term solutions to this problem must be sought first and foremost in economic policy, I think it is essential to look forthwith at long-term measures to be taken in the fields of education and training policy, such as the upgrading of manual work.

But mere declarations of intent are not enough; knowledge acquired at school must correspond more closely to that required in real life. Although the resolution adopted on 13 December 1976 concerns measures to be taken to improve the preparation of young people for employment and to facilitate the transition from school to work, and although it contains some interesting elements such as the training of teachers, educational and careers guidance, and further education, it contains few or no practical proposals, and above all it concerns only young people who must receive vocational training after the age of 16. In fact, the problem of the transition from school to work arises for all young people! I should therefore like to ask the Commission whether it intends to analyse the problems which also arise for young school-leavers and especially for young university graduates when they enter working life.

I turn now to the question of mutual recognition of diplomas. Although this principle is stated in Article 57 of the Treaty of Rome, it has not yet been fully implemented, and the welcome progress made in the last few years with respect to doctors, lawyers, nurses and dentists should not blind us to the fact that much remains to be done. We can only urge the Council to adopt as soon as possible the draft directives designed to facilitate free movement of architects, veterinary surgeons, midwives, and professional persons engaged in research, design, consultation and application work in the technical domain — the term which the Council and Commission use to describe engineers — accountants and taxation advisers. As for pharmacists, it is to be hoped that the Commission, having withdrawn its draft directive last year, will soon submit a new one to the Council. The mutual recognition of diplomas is indeed an essential aspect of the development of the Community as an economic, social and political entity.



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A similar problem with which students are very often confronted, and the solution to which depends in part on the recognition of diplomas, is that of admission to a higher education establishment in another country, since the equivalence of completed studies is not always recognized. Given that this situation is clearly an obstacle to the free movement of students, has the Commission taken any steps to improve this situation?

The last point which I would like to raise is that of the need to introduce a European dimension into educational syllabuses, particularly by encouraging the teaching of foreign languages and the study of Europe in schools. Since Mr Power's report contains a detailed description of the two relevant communications of the Commission to the Council, I shall confine myself to the following remarks.

With regard to language teaching, it seems to me that apart from the personal enrichment which everyone can gain from the knowledge of one or more foreign languages, such knowledge is absolutely vital to the effective exercise of the right to free movement and free establishment, and this applies as much to students and researchers as to migrant workers. Indeed, the linguistic problems which the latter encounter are largely responsible for the difficulties which they have in adapting. Both the directive of 25 July 1977 on the schooling of migrant workers' children and the Commission communication before us are therefore welcome. In our view, language teaching is not purely linguistic, but used as the vehicle for other subjects, and the more modern dissemination techniques such as telecommunications and audio-visual equipment are introduced, the more effective this proposal will be. Moreover, like Mr Power we think that the Community must avoid pressing for the study of a particular language and that the choice must be as far as possible a free one.

Finally, with regard to the study of Europe in schools, my Group welcomes the Commission proposal, for in our view, it is essential — as we have already had occasion to say — that young people at school should be given objective information on European integration, which makes them aware of recent developments and renders them capable of assessing and criticizing the Community's achievements. Care should be taken, however, not to propound what could be called an official Community doctrine. That is why I do not understand the scepticism of the Committee on Social Affairs, Employment and Education towards this problem. Perhaps it is due to the fact that the word 'education' comes right at the end of its title! I think this is an essential question and I am happy to agree, Mr President, with your proposal to deal with it by introducing, for example, one hour of instruction on Europe in the various school timetables. A perhaps more promising approach might also be to examine

how to introduce the European element into the various subjects taught in schools.

It is now up to the Ministers of Education to take action when they meet on 27 November next. Allow me to recall a reply to the question which I put here on 14 March: the Europe of tomorrow is to a very large extent being created in the schools of today.

**President.** — I call Mr Albers, who put a question on the same subject during Question Time.

**Mr Albers.** — (NL) Mr President, I should like to take this opportunity of complimenting Mr Power on his excellent report and also Mr Meintz on his initiative in this matter.

My question deals with the report under discussion and with the difficulties encountered by the children of migrant workers who join their parents here and who, if they have arrived since 1 January 1976, are not entitled to vocational training and employment in Germany. It therefore fits excellently into this debate — though my references to 'discrimination' may be somewhat exaggerated: perhaps 'measures affecting the labour market' would be more accurate. However, there is no doubt that by excluding young people from vocational training we violate the principle of equal opportunities in education and training mentioned in the report. To give some background information on my question, research has shown that the crime-rate among migrant workers in Germany is no higher than among the native population, but the crime-rate among 14 to 18 year-old children of migrant workers is 60 % higher in Munich and 88 % higher in Stuttgart than among German children of the same age. My questions therefore serve as a warning of the dangers which may arise among this second generation, and possibly soon among the third generation, if these young people are not given equal opportunities. Reference has been made to a 'social time-bomb' which will pose a threat to our society if this problem is not tackled. Germany's policy is in fact in conflict with declarations and decisions by the Community, the Council of Europe, the United Nations and the ILO.

You will doubtless agree, Mr President, that the subject which I have briefly touched upon is of major importance, and I am very interested to hear what the Commission, and if possible also the Council, have to say on it.

**President.** — I call Mr von Dohnanyi.

**Mr von Dohnanyi,** *President-in-Office of the Council.* — (D) Mr President, in reply to the question and introductory statements, I would agree, first of all, that education plays a vital role in shaping the Community's future and in developing a sense of fellowship, and that the consequences of this for the work of our schools are far-reaching.

## von Dohnanyi

Secondly, education provides several basic elements on which Community integration may be built up; and I am not referring just to language learning — this has been mentioned already — but also to knowledge of other countries and of their histories, as this is a major prerequisite for Community integration and for creating a real sense of unity among our peoples.

Thirdly, freedom of movement in the Community is affected in practice by the common definition of the prerequisites of our educational system and the recognition of learning certificates, this being essential to mobility in many areas of employment.

Mr Meintz referred rather derisively to the ministers meeting in the Council — your inferences did not escape me. But of course, that is also part of the problem: as you rightly said, the Community's powers in this area are limited. However, I would point out — as Mr Power has done — that it is not merely a matter of the Community's powers, but also of working out the right policy to incorporate the Community's diversity, and thus its richness, in a common approach to Community education.

As we will be referring these matters to the Council on 27 November I cannot give any definite answer to the question raised, for the most part, in Oral Question No 057/78.

I should like to make a few comments on these points. Firstly, the role of education in the fight against unemployment. Obviously, the basic structure of education must be tailored to expected labour market trends, a task which is important to all Member States and which I am sure will be discussed on 27 November. Then there is the question of the mutual recognition of diplomas. As in other areas of cooperation in education, this question boils down to mutual trust in quality. The same applies to cooperation among universities on the freedom of movement of students and teaching staff. Clearly, very strict regulations on numbers of terms and their content are an obstacle to freedom of movement, while liberal regulations promote such freedom. In a way, the same is true of language learning and the study of other countries, in which student exchanges play an important part in the completion of study courses. Here again, over-strict regulations could hinder cooperation.

I am afraid I must delay giving any further details until after 27 November, when the presidency will be able to provide information on progress achieved and decisions reached.

I should like to comment on Mr Albers' remarks on migrant workers. This is indeed a serious problem, and not primarily because of the crime-rate, but rather for reasons of equal rights and opportunities. However, I would point out that the situation referred to by Mr Albers is complicated by the fact that the children of migrant workers in the Community will not invariably be brought up and educated in their

host country: in line with the wishes and interests of many migrant workers, they must be given the opportunity to return to their homeland by receiving an education in their host country similar to that of their homeland. And if I may change my hat again, this is the cause of part of the problems we are facing in Germany. The question is more complicated than simply integrating the children of guest workers into the education system of their host country. It is a question of opening up and of keeping open opportunities to return home, and conflicting interests thus arise with regard to these children's schooling. However, the problem must be seen in the way Mr Albers suggests, and I think it is seen in this way in all Member States.

I should perhaps wind up this attempt to give an interim reply by adding that it might be a good idea if Parliament did not confine itself merely to discussing supplementary regulations from time to time, but tried instead to work out how cooperation can be improved with fewer regulations. For example, comparisons of the effectiveness of the Community's various education systems, similar to the efficiency comparisons carried out by the OECD, could be very useful for the gradual attainment of a common standard. Secondly, openness and the courage to accept the quality of diplomas and periods of study in other countries are perhaps the most important aspects of cooperation, which should lead to the abolition of excessively stringent regulations rather than to the introduction of new regulations.

Thirdly, common models may be more useful for purposes of testing than common regulations are for creating something new. Perhaps Parliament would care to discuss this point at a future date.

Finally, I should like to comment on Mr Power's remark that many people regard themselves as experts on education, but not on medicine. I sometimes feel, Mr Power, that parents and children know more about education than the so-called 'experts'.

**President.** — Ladies and gentlemen, Mr Brunner has made a very practical suggestion to me. He will just listen to those Members who are down to speak before replying on behalf of the Commission to the points which they have raised briefly in their speeches. I call Lord Murray of Gravesend to speak on behalf of the Socialist Group.

**Lord Murray of Gravesend.** — I understand your problems, Mr President, and I do not want to be difficult, but I hope that whether you are in the chair or not, whether it is the President or another Vice-President, the Chair will put the same suggestions in some of the other debates that go on in this House. I think it is unfortunate that we are restricted in a debate on such a subject as education, which is very vital. I am not making any criticism of you, Mr President, I know

### Lord Murray of Gravesend

that you and the President-in-Office have a difficult problem with regard to timing; but as you said at the opening of the debate, you have a long list of speakers and it is a matter on which, as Mr Powell quite rightly pointed out, everybody has something to say.

I would like to welcome Mr Powell's report and also the report from the Commission. The Socialist Group would like to welcome them. But in saying that, I must in fairness add that, as a member of my group said, when you get twenty people together in a room to talk about education you get forty different views on the topic. I think that is absolutely true, and it would be wrong for me to say that my group was absolutely unanimous in their views on this, but the report was generally welcomed. Because one of the things that concerns us and, I am sure, concerns everybody in the Community connected with education is that we should not be looking for harmonization or standardization or uniformity across the Community in matters of education: we must work very hard and keep a constant watch to see that in fact every Member State is able to maintain its own linguistic and cultural traditions. As I hinted when mentioning the length of time we have for this debate, we spend a lot of time in this building talking about CAP, EMS, EMU, all sorts of initials which are bandied about in political terms, and in our parliaments at home we talk about UNESCO, UNO, UNICEF etc. A lot of these phrases are meaningless, but to every parent in this Community education is something vital. Every parent wants a better education for his children. Sometimes I think we should be spending more of our time and money on educational problems than we do at the present time.

It is going to be difficult in the limited time, Mr President, to go through every point, but I think some points concerning the Commission's document and Mr Power's report ought to be mentioned. On the question of exchanging teachers, it is a little unfortunate that in the past five or six years the number has not increased. I hope that as the Community comes out of the recession and with the Commission's plans from 1980 onwards we shall get more exchanges and reach the target figure of 10 000 that they have set. Though, of course, teacher exchange is valuable, in very many ways the exchange of pupils is perhaps even more valuable. I know that my own children when at primary school, though they did not take part in pupil exchanges, took part in visits to Luxembourg, Belgium, Holland and Germany, and I think that all the children at that primary school were enriched by the experience of travelling to the Continent of Europe and seeing that people were not basically different but did speak a different language and did have different cultures.

Many of us in this Assembly come from a generation that in fact has done very little travel, whether to the

Continent of Europe or farther afield, and it is vital that our children get as many opportunities to travel as possible. The report mentions that we should ensure that those children who are disadvantaged, those who live in poorer areas where the schools are substandard, where sometimes the teaching is substandard, sometimes the education authority is substandard, should get the same sort of opportunities to take part in pupil exchanges and to travel abroad as those children who live in better areas, e. for want of a better term, the middle-class areas. This also applies — this point is mentioned in the Commission document and is vital — to physically handicapped children, who should get the same sort of opportunity. We should try to make appropriate arrangements and the Commission should work on that possibility. There is a proposal that there should be pilot projects for the less gifted and less motivated children: this was in fact the result of an amendment by the Socialist Group proposed in the Committee on Social Affairs, Employment and Education.

Mr President, I suppose education in very many ways is not just a question of 'O' levels or 'A' levels in my own country or the Baccalauriat in other parts of Europe. Sometimes education is a feeling: it is a feeling of acquiring that cultural and linguistic 'togetherness' that we search for in Europe, and I think the proposals in the Commission document sum it up in very many ways.

I would like to finish, Mr President, by quoting a passage which sums up, I hope the views of the Socialist Group in this Parliament. Point 4-20 of the resolution adopted by the Council of Education Ministers on 9 February 1976 states:

The achievement of equal opportunities for free access to all forms of education is an essential aim of the educational policies of all Member States, and its importance must be stressed in conjunction with other economic and social policies in order to achieve equality of opportunity in society.

I think that sums up the position of my group on this motion for a resolution and on the Commission's proposals.

**President.** — I call Mr Wawrzik to speak of the Christian-Democratic Group (EPP).

**Mr Wawrzik.** — (D) Mr President, ladies and gentlemen, I would like to express our thanks and appreciation to Mr Power. Committee discussions on the report showed that the Community's political sphere of competence in this area is very limited, but I feel that the avenues open to us should nonetheless be explored. We do not get the impression that this is being done. We do not want the Community to take charge of education policy: in some cases this can even fall outside the competence of the national governments, depending on how they are structured. In any case, I do not see this as a job for the Commu-

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nity. However, in allowing it's workers freedom of movement, for example, it should similarly create the prerequisites of this freedom.

The prerequisites — and this is in my view the most important part of Mr Power's motion for a resolution — include language-teaching. We are wholeheartedly in favour of the proposals put forward on the subject. I shall not dwell on this point, but merely express regret that my motion, tabled during a Committee meeting and designed to ensure that one common language is taught in all European schools, was not accepted. For my part, I shall continue to campaign for this. I am aware of the misgivings voiced on the matter, but feel that this issue has still to be thrashed out.

I shall now turn to that section of the motion for a resolution which deals with the study of the European Community in schools. It is essential that every effort should be made to achieve this goal. As Members of Parliament we are not in a position to inform the massive numbers of citizens in our constituencies of the Community's functions and policies. Even journalists covering European affairs in newspapers, on television or on the radio are unable to get the space and time which they consider appropriate. Who, then can inform the people of Europe about European policies? Our difficulties are becoming particularly apparent now that direct elections are approaching. It is of the utmost importance that European policy and the European Community should become an established part of Community studies, or whatever they are to be called, so that at least Europe's youth will gain a basic understanding of European affairs.

My Group hopes that contact and discussion with the Commission on education policy will not be broken off, but rather intensified — in particular with the regard to plans for positive action. If this proves possible, and if the Council comes to attach more importance to education than in the past — an increased interest which should at least reveal itself in more frequent and learnt not to be too demanding and to be grateful even for small mercies.

**President.** — I call Mrs Squarcialupi to speak on behalf of the Communist and Allies Group.

**Mrs Squarcialupi.** — (I) Mr President, I shall dwell on only one point of Mr Power's report — paragraph 9 of the motion for a resolution, to which we made a contribution and which envisages the protection of the languages and cultures of all the Community countries, including those of ethnic and linguistic minorities and, particularly, those in serious danger of extinction. In short, this paragraph seeks to avoid cultural uniformity in an integrated Europe, and this is a very important political fact, especially when one considers cultures and languages which are in danger of extinction and which concern at least 30 million European citizens living in Member States whose official

language is not their mother tongue — think of Scotland, Wales, Brittany, Occitania, Friuli and Sardinia. These people do not want to run the risk of losing their linguistic heritage, seeing their culture standardized, and becoming mere tourist attractions to be devoured by the culture vultures. They want to avoid linguistic colonization by languages which are spoken in economically stronger capitalist states.

For this reason, the priority study if one, two or three languages — as envisaged in the Commission report — to be chosen from the most widely spoken languages so as to facilitate international communication, must be supplemented by genuine and honest steps to ensure that the other languages continue to perform their cultural and social function. It is right and proper that the European Economic Community, which ought never to ignore distinctive national features, should concern itself with protecting nations and languages threatened with extinction, to keep them alive instead of consigning them to the museums. Let us bear in mind that this is also a considerable social problem, since as a rule the ethnic and linguistic minorities are those who suffer most from emigration are therefore even more likely to disappear. Yet they are the vehicles of values which form part of the Europe's cultural heritage; they have deep popular roots; they are culturally significant and cannot be regarded as minor, let alone allowed to perish. We must be aware of this, especially with the approach of elections to the European Parliament by direct universal suffrage; we must remember how many of these languages have disappeared and how many of these cultures have hitherto been reduced to a shadow of their former selves.

Thus, as we prepare to develop a supranational institution we are aware of the damage which has been caused by another way of looking at history and society, by a centralism which has accentuated certain movements toward regional autonomy in those States where problems of ethnic minorities have again arisen, sometimes causing serious conflicts for which we all pay or have paid the price. In creating a supranational entity therefore we must ensure that it takes account of the authentic ethnic variety of Europe, of the problems and needs of the 'minor' cultures which have hitherto been left out in the cold. As I said earlier, this is a cultural problem, but it is above all a political problem affecting European unity, and one on which the Council and Commission must take decisions and reflect deeply. First, they must determine the size of these minorities, their locations, the level of their cultural and social vitality; for let us not forget that when we speak of dead languages, we are talking mainly about languages which have been killed by languages which were stronger, especially in economic terms.

**President.** — I call Mr Halvgaard to speak on behalf of the Group of European Progressive Democrats.

**Mr Halvgaard.** — (DK) Mr President, there is no section in the Treaty of Rome dealing specifically with cooperation in the field of education, and even though great efforts have been made in certain quarters to establish a degree of general coordination and harmonization in this field, they have not met with any success. The reason for this is that no Member State is prepared to accept a European education policy which would radically affect its own educational traditions. The educational system plays a far too central a role in the cultural life of any country for that to be accepted. One can hardly imagine any real coordination of education within the Community even in the long term. Indeed, it is widely recognized in the Community that differences in the educational systems of the various countries are an aspect of their cultural heritage which should be protected and not eliminated. These are some of the reasons for opposing the idea of extensive harmonization and standardization of educational systems in the Community since harmonization and standardization of this kind would demand the fixing of minimum requirements for various aspects of the educational systems such as the content, duration, structure and methods. And what would this lead to? The politicians of the Community would be forced in every case to define minimum requirements on the principle of the lowest common denominator which would lead to their being fixed so low that even the Member State with the lowest educational standard could accept them. Instead of raising the standard of education in the Community, this would be tantamount to giving the green light to a lowering of standards. In other words, the Member States would only be obliged to fulfil minimum requirements and this would be a sorry state of affairs.

The major possibilities for cooperation in matters of education are in the fields of information and mutual recognition of diplomas, certificates and other qualifications. In addition, there is the hope that Community level educational institutions in the slightly longer term, come to represent a valuable supplement to the national schools and educational establishments. For example, as suggested in the report, one could imagine the Member States jointly establishing one or more universities which could accept students from Member States in accordance with certain rules governing right to admission. In cases where national legislations set examination requirements for eligibility for certain jobs or rights, a particular examination passed in another Member State should as far as possible be regarded as equivalent to one accepted within the educational system of the country in question. It is to be hoped that countries will accept each other's educational systems, in spite of the differences, and we should combat the provincial and self-satisfied conviction that one's own way of doing things is the only possible one.

For this reason, I basically go along with the main ideas on education policy put forward in the Power

report where great importance is attached to cooperation without standardization and an intensification of language teaching in the Member States together with protection of the language and cultures of the individual countries.

However, I do not agree with one point, namely paragraph 8 of the motion where Mr Power expresses his doubts regarding the practicality of choosing Esperanto as a compulsory first foreign language in the schools of the European Community. The problem of languages is one of the major obstacles to the intensification and development of international cooperation in all fields, and when people from various countries come together, all those whose mother tongue is different from the one in use fell and are obliged to take a back seat in the debate. The result is that we achieve a mere fraction of what could and should be achieved through international contacts. In my view, the parliaments and governments have been very much lacking in awareness of the fact that a language policy is just as important as, for example, a social policy, transport policy, environment policy, energy policy, etc. However, since the problem is becoming increasingly urgent, and since it is one which will be particularly difficult to solve, there is every reason why we should continually take steps towards settling the question, so that language difficulties will not be the cause of too great distances too far into the 21st century. Our aim should be that, within 60 years at least a quarter of the world's population should be able to express themselves in the same language with almost the same subtlety, effortlessness, precision and spontaneity as in their mother tongue, and that at least a further quarter should be able to understand and read this common language.

It is obvious that many people think the first foreign language taught should be English, French, German or Spanish. Unfortunately, they are not all in favour of the same language. If we in the European Community choose one of the national languages, practically all the other countries will naturally find objections to the fact that that particular language was favoured. There is a clear parallel with the decision on the siting of Parliament. For this reason, if one genuinely wishes to solve this problem, it is hardly realistic to suggest any of the existing national languages. We must choose a neutral, non-national language and, as you know, the hitherto most highly developed international auxiliary language is Esperanto. It is estimated that it takes approximately 15 % of the time to learn Esperanto that it takes to achieve a corresponding degree of proficiency in other foreign languages. I should like to finish by saying that the European Community is one of the many areas in which the language barrier can have unfortunate consequences and that therefore this Parliament should seriously consider this problem, which is of such far-reaching significance for European cooperation. For this reason I should like to urge that the competent committee be instructed to look into this question.

**President.** — I call Mr Kavanagh

**Mr Kavanagh.** — Mr President, I should like to congratulate Mr Power on his detailed report on the important subject of education in the Community, a subject which, I believe, has not been given sufficient attention either in this House or at the Community level in the past. However, the situation is beginning to change. We have before us a packet of very interesting documents concerning aspects of education policy, all having as the basis the resolution of the education Council of February 1976, and all to be discussed at the next Council of Education Ministers at the end of the month. I think congratulations to the Commission are not out of place for the progress which has been made in the development of education policy in such a relatively brief period and particularly on the detailed and thought provoking documents they have produced. The report on equal opportunities and education and on the training of girls which, unfortunately, we did not have the opportunity to examine in committee deserves particular mention. I am sure that I am not alone in hoping that the Council's deliberations on the issues raised in the Commission's documents and in our debate today will result in positive proposals for concrete action.

The communication on the teaching of languages contains many welcome proposals which, if implemented, should certainly have the desired effect. I would like to comment very briefly on a few of them. A brief section is devoted to the question of teaching of languages to less able pupils. It is proposed that a series of pilot projects should be established at Community level to help in introducing guidelines for future actions to strengthen the existing provisions in this area. We believe this is a very important proposal, which I welcome, and to which I believe priority should be given. The less able child is more often than not primarily less able because he or she is underprivileged. However, it does raise certain other problems. Often the less able child already has difficulties with his or her mother tongue. The Commission has already told me in answer to a written question that it intends to examine carefully the main efforts made in Member States to improve the motivation and performance of the less able pupil with regard to the learning of a second language, but will not be examining the question of problems of learning the mother tongue except in so far as migrant workers' children are concerned. I do not believe that this is sufficient.

There is a considerable amount of illiteracy among the adults in the Community. The Commission has said it will examine the extent of this as the basis for recommendations for future action. I do not see that it is realistic to give priority to teaching people a second language before they have achieved competence in their first. Language is basically about communication. If someone is unable to communicate properly in his

first language, he or she is sure to have problems with a second. It is a pity that the proposal, thorough in almost all other directions does not cover this particular problem. I ask the Commission to reconsider this question and hope that the Council will note my remarks.

I welcome particularly the references to the important Community objective of supporting and extending practice of all languages used in the Community. A proposal that one language should be taught as a first foreign language in the Community and also one concerning the introduction of Esperanto were rejected by the Committee on Social Affairs, Employment and Education largely because a language is the expression of the culture and identity of the people who speak it. To limit all our children to one language, either a living one or a non-official one, would have the effect of undermining the cultural diversity which is an important part of our heritage. By the same token, the encouragement of lesser used official languages, including Irish, is also important in the maintenance of our cultural identity. A recognition of the importance of the various dialects spoken by different cultural groups in the Member States is also essential. Whether we intend to learn them or not, many of our Community populations speak a dialect or language as their mother tongue which is not an official Community language.

There are also a few brief comments to be made in the report on equal opportunity in education for the training of girls. I think we all agree that the achievement of equal pay for equal work would not in itself mean equality since relatively few women have equal work, and this is the result, largely, of the education and upbringing of most girls. The Commission report performs an invaluable task in outlining the situation and making recommendations. I believe that this report has raised another very important issue, when it makes the point that the right of choice should be given to both men and women as to their education: whether they want a career-orientated or a family-orientated one. The present debate in our society concentrates mainly on equality for women, and rightly so in view of their long history of underprivilege. However, that men are also victims of our social and economic system must not be forgotten.

Another point brought out in the report relates to the possible adverse short-term effects of the introduction of co-education. This has also led to a decline in the number of women holding senior positions in schools in many Member States. It is a pattern emerging in Ireland, where coeducation is relatively new. Drastic measures must also be taken to redress this tendency, since the situation of our women teachers occupying lower positions and teaching the soft subjects would serve more to reinforce sex-stereotyping. This is an area where the introduction of a quota system both as regards training of teachers for certain subjects and

**Kavanagh**

and positions of seniority within the schools should be considered positively. I hope we have the opportunity of examining the whole issue of education and equality later in the context of a more concrete proposal. Lastly I would like to make a point relating, to teacher participation in the whole packet, firstly, in relation to the problems that will have to be resolved regarding their career structures, rights, pensions rights and so on. I believe there is a report in preparation on this subject. Then there is the question of the involvement of teaching professions in the elaboration, preparation and implementation of proposals. I wonder to what extent have they so far been involved, and how the Commission will ensure that they are further involved in the future, both at Community and national level.

**President.** — I call Mr Ellis.

**Mr Ellis.** — Mr President, it may be that my words will follow the customary banal and platitudinous course of the rest of my speeches, but who knows, one day there may be a pearl of great price amongst the dross. On that supposition I will launch myself on this brief little speech welcoming Mr Power's report and, in particular, paragraph 9 of his motion for a resolution which refers to the need to preserve our cultural diversity within the Community I am doing this because I listened this morning to a debate on this very subject. I shall not say where the debate was held, because that would be giving away secrets, but I will say that it took place between 9 and 10 a.m. Some of my colleagues, who pride themselves on the purity of their socialism and the solidity of their doctrinal posture, made the assertion, which fortunately has not been made in this debate, but which is one I want to rebutt namely, that the Community has no place in the education of its citizens. I think it is important that we tackle this, head on. Because I believe that the Community has a very important place. I leave aside all arguments about whether their socialism is going to lead to people being not only equal but identical and interchangeable — a horrifying nightmare world of the anthill. Leaving all that on one side, I would like to quote from the experience of my people, and I cannot speak more personally than that.

The history of my people over the last hundred years has virtually been the history of cultural genocide. And I speak for a people now desperately trying to retain their language and culture. While I accept at once that the attitude, of the State has changed a little in recent years, but nowhere near sufficiently to do anything meaningful about it, I would like to tackle the whole of the socialist view of this matter. I make this point in case anybody thinks it is just some little whimsy of mine, that if I am asked to choose which language to speak — and I sometimes am asked at public meetings — I always choose my mother tongue. I am fluent in English and I am a reasonable man.

When I went to the only parliament I had, I could not help but resent the fact that in that parliament before we became members of the Community. I was not, constitutionally, allowed to speak my mother tongue. And I speak as a socialist, one who stands for the equality of men and so forth. There is something very fundamental here and because I only want to take another minute or two, Mr President, I shall put the argument into a little nutshell and give a purist Socialist argument, starting from Karl Marx and I cannot get a better fountain-head than Karl Marx. Marx made the point that the state was the instrument of the ruling class. We will not go into the arguments about it. I will accept it as axiomatic. It might be accepted by some of my purist socialist friends. Of course the ruling class uses the State to exercise economic dominance, the hegemonic dominance of a small class. In a multinational State such as the United Kingdom the dominant class is identified with one of the nations and economic dominance becomes cultural dominance. That is why as Jean-Paul Sartre said, speaking of the situation of the Basques *vis-à-vis* what was a despotic Castilian government, that to speak on oppressed language is itself a revolutionary act. Quite an interesting socialist thought!

So I insist that in this context the Community has a great role to play, because what the Community will do is erode the hegemonic principle. And it is precisely for this very reason that I support wholeheartedly Mr Power's resolution, and I hope that if any assertions are made by these quasi socialists one hears so much about these days, that will be completely and utterly rebutted by the true socialists such as my friends here tonight and myself.

*(Laughter)*

**President.** — I call Mr Brunner.

**Mr Brunner, Member of the Commission.** — *(D)* Mr President, I shall be brief, otherwise this sitting will end up like the congress of the deaf and dumb; which went on till the lights went out.

*(Laughter)*

I don't know how I shall begin, but I do know how I shall end. I shall therefore deal with the questions raised by Mr Meintz and Mr Albers. First, Mr Meintz's question. We had a report prepared by Professor Cox, which was discussed by experts on 27 October and from which some interesting and instructive conclusions emerged on the comparability of study courses. We shall be discussing the findings of this report with you, and I feel sure that some progress will ensue.

To turn to Mr Albers' question, it is vital that this matter should be given further attention. We have a vicious circle here, in that young people are often refused a work permit and because of this are unable to gain admission to vocational training centres, which in turn leads to the situation described by Mr Albers. This vicious circle must be broken, and there

**Brunner**

is a way of breaking it. We are discussing the matter in the Committee on Education. We are somewhat restricted because we are forced to concentrate on young people in the Community. We shall persevere, however, and, from this starting-point progress to frequent discussion of the situation of young people from third countries. This brings me to the question of education as a whole. I should have liked this debate to have been held one morning, as the subject under discussion is of course of immense importance now that the people of Europe are about to elect their Parliament. What impression do the people of Europe get of us? They only hear about wine and milk lakes, about butter mountains and goodness knows what else. We should at long last make it clear to them that the whole business is closely linked with their own future, their daily lives and their lives together as a community, that we are striving to break down national barriers and to bring about freedom of movement and freedom as regards educational facilities, that we want to create an open Europe with increased freedom and opportunities for all — and education forms part and parcel of this design.

I really do find it most regrettable that vital subjects such as this, of paramount importance for the future, are persistently left till the evening, when no one — apart from us few 'specialists' — is listening and not a single word is printed in the press. It is difficult to achieve progress in education, as it is a relatively new topic and we were not able to deal actively with it until 1974. We have however set up a useful body + the Committee on Education — and initiated several projects, fragmentary though these are. But it would be unwise to try to set up an extensive system in this field, as this would only make it more difficult to achieve practical results in the Member States.

I am being particularly outspoken on this occasion because the President-in-Office of the Council has already left, otherwise I would have been less forthright. However, since he is not listening to us, we must state plainly that we can only hope to achieve a modicum of progress by being as wily as foxes. On the basis of practical, financed projects we must gradu-

ally inject cohesion into all fields of education, such as university exchanges, the promotion of exchanges of teaching staff, the transition from education to working life, language-teaching, the children of migrant workers, the situation of girls in education, and the position of educationally subnormal or underprivileged children. I believe we shall be successful. A start has already been made, for if you compare the practical work we have carried out and the modest funds we have acquired with our initial situation, then the progress made will be seen as relatively substantial.

I can assure the House that I shall continue unrelentingly to strive for achievement in this field, because I am convinced that it is a matter of vital interest for the freedom of the people of Europe and as such, a topic of paramount importance to the Community.

**President.** — I note that there are no more requests to speak. The motion for a resolution will be put to the vote as it stands during voting time tomorrow. The debate is closed.

## 12. Agenda for next sitting

**President.** — The next sitting will be held tomorrow, Thursday, 16 November 1978, with the following agenda:

### 9. 30 a.m. and afternoon:

- Jung interim report on cargo shipping
- Liogier report on tinned pineapple
- Inchauspé report on temporary importation arrangements
- Albertini report on trade in oils and fats between the Community and Greece (without debate)
- Howell report on an aid for degerming maize
- joint debate on the Ardwick, Pisani and Stetter reports on economic and monetary policy
- Pisoni report on winegrowing potential
- 3.00 p.m.: Question Time (questions to the Commission)
- 3.45 p.m.: Voting time

The sitting is closed.

*(The sitting was closed at 8.45 p.m.)*



## *ANNEX*

*Questions which could not be answered during Question Time, with written answers*

*Question No 41, by Mr Kavanagh*

Subject : Community Passport and illegal régimes

Has the Council given any thought to the problem of the granting of Community Passports to persons with dual nationality, particularly in the cases of individuals who are citizens of illegal régimes, such as Rhodesia, but who maintain the right to a passport from a Community Member State ?

*Answer*

The Council's work on the Community passport covers the matter of the uniform presentation of passports which only the competent authorities of the Member States will be empowered to issue in accordance with the rules they themselves lay down. Consequently the Council has not had to examine the question of the issue of passports to persons with dual nationality.

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## IN THE CHAIR : MR BERKHOUWER

*Vice-President**(The sitting was opened at 9.35 a.m.)***President.** — The sitting is open.1. *Approval of minutes***President.** — The minutes of proceedings of yesterday's sitting have been distributed.

Are there any comments?

The minutes of proceedings are approved.

2. *Documents received***President.** — I have received the following documents :

(a) from the Council,

- a joint position on the proposal from the Commission to the Council on the procedure for applying the European unit of account (EUA) to legal acts adopted by the Institutions of the European Communities (Doc. 452/78)

which has been referred to the Committee on Budgets ;

- a joint position on the proposal from the Commission to the Council on a draft financial regulation on the application of the provisions of Protocol No. 1 to the Cooperation Agreements concluded with Algeria, Morocco, Tunisia, Egypt, Lebanon, Jordan and Syria and on the Financial Protocols concluded with Malta and Cyprus (Doc. 453/78)

which has been referred to the Committee on Budgets as the committee responsible and to the Committee on External Economic Relations and the Committee on Development and Cooperation for their opinions ;

(b) from the committees, the following reports :

- a report by Lord Kennet on behalf of the Committee on External Economic Relations on the proposal from the Commission of the European Communities to the Council (Doc. 367/78) for a regulation temporarily and partially suspending the autonomous Common Customs Tariff duties on certain types of fish (Doc. 450/78) ;
- a report by Mr Pisoni on behalf of the Committee on Agriculture on the proposals from the Commission of the European Communities to the Council (Doc. 439/78) for
  - I. a regulation amending for the second time regulation (EEC) No. 1162/76 on measures designed to adjust wine-growing potential to market requirements
  - II. a regulation laying down measures to adjust wine-growing potential to market requirements in certain Community regions and amending Regulation (EEC) No. 1163/76

(Doc. 451/78) ;

- (c) from the Committee on External Economic Relations, an oral question with debate to the Commission on progress of GATT negotiations (Doc. 454/78).

3. *Decisions on cargo shipping***President.** — The next item is the report (Doc. 429/78) drawn up by Mr Jung on behalf of the Committee on Regional Policy, Regional Planning and Transport on the

proposals from the Commission of the European Communities to the Council for

I. a draft decision amending Council decision D number 78/774/EEC concerning the activities of certain third countries in the field of cargo shipping

II. a draft decision on the implementation of article 2 of decision D number 78/774/EEC concerning the activities of certain third countries in the field of cargo shipping.

I call Mr Jung.

**Mr Jung, rapporteur.** — (D) Mr President, before introducing the Commission's proposal and my interim report I should like to say a few words about the difficult circumstances in which this report was produced and also to explain briefly this somewhat unusual procedure, an interim report with the explanatory statement given orally. We had no choice in the matter for reasons which I am going to explain. The Committee on Regional Policy, Regional Planning and Transport has managed in less than one week after receipt of the final text of the Commission's proposal to adopt a report on that proposal. In view of the time required for translation and distribution of the report there was no question of including a detailed explanatory statement in it. However, the subject is so important that I did not think we could allow the Council of Transport Ministers to meet next week on 23 and 24 November and take a decision on this matter without our presenting our own views ; we could not allow the Council to use the absence of an opinion from the Parliament as an excuse for sitting back and doing nothing in an area in which Community action is urgently called for.

When the European Parliament discussed the Commission's first proposal in its sitting of 9 May 1978, we were also short of time. On the basis of the resolution presented by Mr Nyborg on behalf of the Committee on Regional Policy, Regional Planning and Transport, the relevant committees, that is, the Committee on Regional Policy, Regional Planning and Transport and the Committee on External Economic Relations — were instructed to look into the matter and if necessary prepare a report.

Jung

As rapporteur, I had already started work on a report when new proposals were submitted unexpectedly and we were forced from lack of time to restrict ourselves to the essentials. However, I can assure you that a detailed report will soon be submitted; the fact that an interim report has been presented for consideration by the House today can be taken as proof of that intention. Indeed, this was decided in the Committee on Regional Policy, Regional Planning and Transport. When Parliament discussed Mr Prescott's report on the shipping industry, Mr Seefeld's report on the problems of the shipping industry and Mr Schmidt's report on the state of relations between the EEC and the Eastern European state-trading countries and Comecon, a great deal of attention was paid to the danger to the Community's legitimate interests in the sea transport sector from unfair competition on the part of certain third countries — I am thinking particularly of certain Eastern bloc countries and countries flying flags of convenience. In these reports measures at Community level were considered to be at least desirable if not as absolutely necessary.

I don't think it is necessary for me here to describe once again the measures and practices which certain countries are resorting to in order to secure a larger part of the market in this sector. We shall have plenty of opportunity to do that when considering my final report. However, I do think I should at this point indicate briefly what has been done in the Commission on this matter.

In April of last year, the Commission submitted a proposal to the Council regarding the introduction of an information system and counter-measures if it was confirmed that the Community's shipping interests were threatened. On 12 June 1978, the Council of Ministers approved in principle an outline decision on the introduction of such an information system and instructed the Committee of Permanent Representatives and the Commission to draw up specific implementing provisions. Doubtless because one national delegation approved the proposal on this occasion *ad referendum*, the Council was not able to adopt a text until 19 September 1978. This text does not go so far as the corresponding proposal from the Commission. Not only is the proposal regarding the implementation of protective measures very much watered down but the Ministers in their meeting of 12 June also failed to agree either on the type of information to be collected or to which countries' merchant fleets the information system should be applied or on the shipping areas to be covered by the system.

This brings me to the Commission's proposals which are the subject of my report. The Commission proposes that in implementation of Article 2 of the Council's decision of 19 September 1978 the merchant fleets of all countries operating in particular shipping areas should be made to participate obliga-

torily in the information system. The shipping areas for which information would be obtained are those affecting traffic between the Community on the one hand and the United States, Central America, East Africa and the Far East on the other.

When considering my draft report in committee, all the members agreed that the establishment of an information system to cover the merchant fleets of all countries and not just individual countries was a valuable suggestion, since it would make it possible to assess the actual situation in the relevant sector. Therefore the Committee on Regional Policy, Regional Planning and Transport approved this proposal from the Commission.

However, the committee was also unanimously of the opinion that the establishment of an information system should not be used as an excuse for not taking joint counter-measures, should certain countries prove to be jeopardizing the maritime interests of some of the Member States of the Community. Therefore a paragraph was included in the motion for a resolution — paragraph 4 — expressly pointing out that during the two-year period in which it was proposed that the information system would operate — from 1 January 1979 to 30 December 1980 — it must nevertheless be possible to adopt counter-measures in the event of unfair competitive practices or measures by third countries.

I can add that this paragraph — together with the rest of the resolution — was adopted unanimously.

In the last paragraph of the motion for a resolution the Committee on Regional Policy, Regional Planning and Transport as well as the Committee on External Economic Relations are instructed to keep a close watch on developments in sea transport so as to be able to submit a detailed report thereon at an early date.

Mr President, I think I can end my remarks here and I hope that the motion for a resolution will be adopted by the Parliament since the Committee on External Economic Relations also has no objection to the Commission's proposals and Lord Kennet has already, on behalf of the committee, delivered an opinion to that effect on my interim report.

**President.** — I call Lord Bruce of Donington to speak on behalf of the Socialist Group.

**Lord Bruce of Donington.** — Mr President, my Group would like to thank Mr Jung for the excellent report he submitted to Parliament. I would refer to Document No 429, and would also like to thank him for giving an outline this morning. Mr President, we are dealing here with a decision which is addressed to Member States for implementation. It has been drawn up with unaccustomed speed. Our experiences of decisions in this Parliament over the past few years is that we can usually count on a period of gestation of two

### Lord Bruce of Donington

or three years, before anything comes to fruition. In this particular case we have a Council decision dated 19 September to which, as the decision states, a further decision is going to be issued in due course.

Mr President, this decision does not cost the Community budget anything at all. It is a decision addressed to Member States requiring them to assemble information. The information required is quite formidable and is set out in Annex I of the proposals themselves. I refer to Doc. 415/78, and anybody looking at the information required, which moreover has to be updated every six months, will realize that it is going to impose considerable responsibility on Member States.

Now, Mr President, on behalf of my group I would like to say this. Unless all Member States comply fully with this decision, the information placed in the hands of the Commission will be incomplete and it will not be possible for them to derive any firm conclusions from it. So I hope, Mr President, that we are not going to have a postponement of the implementation of the decision such as we experienced in the case of VAT Directive No 6 which has still to be implemented by two Member States, and which is already over a year late. I do hope — I see the Council is not represented on the front bench this morning — that all Member States will comply with it.

Mr President, in the proposal for a decision the Commission complains of certain practices by third country shipping lines. This is not a very illuminating statement. The decision itself does not spell out what these practices are. All we know from the context in which the matter was debated — and Commissioner Burke was kind enough to inform us very fully of Commission thinking on the matter — is that certain shipping lines belonging to state trading countries, particularly the USSR, are subsidizing their shipping rates thereby creating unfair competition for Community shipping. Indeed the whole emphasis appeared to be on that.

On behalf of my group, I would like to offer a word of caution. We think it would be unwise for the Commission to concentrate solely on that aspect of the matter. There are other practices which create unfair competition for Community shipping companies. One of these is the extensive use of flags of convenience which are of course used to avoid taxation, proper ship manning levels, proper equipment inspection on board ship, proper manning drills and proper emergency procedures — all for the sake of saving money, thereby enabling ships sailing under flags of convenience to offer lower rates than those which fly the flags of countries which have signed and on the whole observe the various conventions drawn up by IMCO. Therefore, Mr President, I would hope that in implementing the decision, the Member States will also consider this aspect of the matter. It is, of course,

manifestly unfair that the ordinary competitive shipping lines within the Community should be subjected to unfair competition from the shipping lines of state trading countries. But it is also manifestly unfair that within those Member States certain shipping companies, by the use of flags of convenience, should also offer unfair competition, in addition to constituting a very serious menace to shipping in various parts of the world and polluting the environment. As the rapporteur correctly pointed out, the existing decision defines four areas in which inspection is to be carried out: between Member States and the United States of America, excluding the Pacific Coast; between Member States and East Africa, Somalia, Kenya, Uganda, Zambia, Tanzania and Mozambique — inspection here should bring to light some interesting information on the application of the United Nations sanctions in that area — between Member States and Central America from the southern border of Mexico as far as and including Panama, but excluding the Caribbean Islands; and between Member States and the Far East, Malaysia, Singapore, Thailand, Hong Kong, Taiwan, Korea, the Philippines and Japan. I wonder why, Mr President, the Middle East was omitted. A good deal of the traffic passes between the Member States and the Middle East. Could it be, Mr President, that that area has been excluded because that is one of the principal areas in which flags of convenience are used? I should like the answer from the Commission on that point.

Mr President, on going through the preamble of the draft Council decision, we don't find any reference to the Committee on Economic and Social Affairs having been involved in this, or of their opinion having been sought. I am a little worried about this. The Committee on Economic and Social Affairs includes, among others, representatives of the trades union movement including representatives of crews, masters and so on. I would have thought it would have been desirable to seek the opinion of the Committee on Economic and Social Affairs. They are the ones, if I may say so, after reading their report, who reported very fully on the whole question of flags of convenience, and I should be interested to discover whether the Commissioner has any plans, even at this late stage or during the operation of the directive, to consult that committee.

Mr President, I do not wish to detain the House long on this. There is a good deal of pressure on our agenda this morning. I will, therefore, conclude on behalf of my group by generally approving the Commission proposals for a draft decision. But we end where we began. We hope that now the decisions have been issued, they will be complied with by all Member States and that it won't be left to one Member State to do all the work and collect all the data and to find out within about six months that the others haven't started yet and have no intention of doing so.

**President.** — I call Mr Prescott.

**Mr Prescott.** — Mr President, I had not intended to intervene, as I did not think it would be possible for me to do so with the number of meetings being held today, but I would just like to take this opportunity to make one or two points on this proposal that is now before the House concerning actions to be taken by the Commission.

I welcome any proposals that add to our fund of knowledge about the operations of the shipping industry which has normally been an extremely secretive industry, to say the least. The provision of more information about such things as movements of shipping and the conditions on board vessels, whether European or non-European, is a welcome step forward. Indeed, I feel the Commission generally can be given a pat on the back for extending some of its activities far beyond what individual states have done. As an ex-seafarer I have constantly tried to press my own government to take action in this field, and it is to the credit of the Commission that, albeit for a number of reasons, such as pollution of tankers etc., we are getting some kind of positive action, which starts out from the recognition that one simply cannot get international solutions to this particular international problem because of the reluctance of certain large maritime states, such as the flag-of-convenience countries in particular, to cooperate in this field. The idea therefore, of acting on a kind of regional basis is one that I personally have long advocated in my own country, and I am glad to see it being developed effectively here.

This proposal talks about shipping interests being protected against practices of certain third countries, but do not let us be mealy-mouthed. What everybody is really talking about is the threat of Soviet or Eastern European fleets. Shipowners are not arguing about flags of convenience, because in the main they use their capital through the capital markets to buy in these areas and secure the tax advantages my honourable friend was talking about. Perhaps the Commissioner might confirm that in speaking of third countries, he is actually referring to the Eastern European and Soviet fleets. We may put it as bluntly as that.

However, he will remember that we both attended a sea trade conference in Brussels, where the Russians answered the arguments of the shipowners and showed that they accounted for such a small proportion of shipping activities that compared to the liner conferences they had very little influence or control. I thought they made a pretty convincing case. I do not know what the Commissioner thought; I think he left at that stage as he had to come down to the Assembly, but I listened to the Russian spokesman and he certainly was an expert. So I think we are in great danger of thinking that this is the major problem facing our shipping fleets. It is the major commercial

financing problem facing our shipping owners, but it certainly is not, from our point of view, the major shipping problem.

Secondly, the idea that the Eastern European fleets interfere with competition is a very interesting one, particularly as the Commission supports to some extent — and I understand the reasons why and partly support some of their arguments — the liner conferences, which are deliberately designed to restrict competition, to keep up prices and to guarantee profits in the face of competition on the international scene. Now, I well understand the arguments of the liner conferences and am prepared to concede that there is some substance in their arguments, but I do not think we should kid ourselves that this has anything to do with competition, certainly not competition as defined by the Treaty of Rome, as I am sure the Commission is well aware, both from speeches that have been made earlier from this floor and the actual case made by the liner conferences.

What, we are, in fact, doing in this measure is taking steps to protect European shipping interests, because the liner conferences have proved to be incapable of defending our interests for the reason that others are now operating outside the liner conferences, namely the Third World countries, Russian and Eastern European fleets and flag-of-convenience fleets. So the competition argument is a somewhat dubious one. Nevertheless, there is a threat to our fleet and, as you know, many jobs on our ships are being affected. I do not need any lectures about jobs on European ships, as I represent those interests and I did that work for ten years myself.

The second point about competition, which I have made before, is that for a number of reasons we have a higher price structure than other countries, such as Russia and the Third World and the flag-of-convenience countries, and we want to protect our industries. Now, compare this with the position in the shipbuilding industry. The shipowner wants to buy where it is cheaper, from Korea and Japan and other countries where unfair competition produces vessels cheaper than any we can produce in Europe. However, he seems to be getting it both ways. He is saying, 'Protect me against the unfair competition of the Russians and the Third World, but let me buy my ships where it is cheapest'. Frankly, if we pandered to that kind of argument, I think we would need to consider very carefully the kind of principles governing our actions and whether we are really trying to be even-handed. I do not believe the Commission is going to come forward and tell us it is here solely to protect European shipowners' interests and their commercial needs. We have to balance these against many other factors. So I think the competition argument is a bit of hypocrisy on the part of the shipowners, but they are constantly hypocritical; in that sense they are only being consistent.

## Prescott

On the other matter of flags of convenience, an interesting point arises with regard to competition. If we allege unfair competition on the part of the Russian and Eastern European countries and argue that we must protect our industries from this unfair competition, what about a European shipowner who buys the flag of another country, gets tax advantages and cheap crews picked up from wherever he likes and then begins to trade against European shipowners? Are we going to discriminate against the European shipowner who wages unfair competition by buying the flag of another country, such as a flag of convenience? Surely logic must dictate that we discriminate in favour of the European shipowner that stays in Europe and observes the high social standard on our vessels. I would have thought that is a logical argument and I ask the Commissioner if he would perhaps care to make some comments on that particular point.

There is one last point I would like to make, Mr President, and I draw the Commissioner's attention particularly to this point, as I have already raised it with the President of the Commission yesterday during Question Time, and it arises out of this matter here. I presume the Commissioner will be reporting back to the House on developments in this matter; the Commissioner has regularly done this and we look forward to it. This is a point on which I must confess to being somewhat surprised, and I wonder whether the Commissioner can enlighten me. It concerns pollution controls: putting pilots on board tankers, dealing with the problems of tankers that run aground, as well as the major social and economic problems that arise out of these tremendous pollution cases, such as that of the Amoco Cadiz and other vessels. The Commission came forward with aid proposals and other related recommendations which I fully endorse. I think the Commission has done a lot in this field and I fully support and congratulate it.

However, when we asked the Council yesterday, as we will be asking the Commission later this afternoon, about certain actions in regard to the Law of the Sea, including action on pollution, the President-in-Office told us about certain actions taken by the Council of Ministers, and I was a little surprised to learn that the acceptance of pilots is now being made a compulsory condition for all vessels. I read in Tuesday's Times that the Commission had made a statement on Monday about these new proposals. If it is true that this new statement was issued on Monday, why, in view of the President of the Commission's claim to treat this Institution as a Parliament and to come and tell it first what he is doing, did he not take the opportunity during the meeting of the Assembly to come here to this Assembly and inform the press and the rest of the world through this parliamentary Assembly? I am not going to say any more about

that; I will this afternoon if the answer is not satisfactory. I shall wait to hear what the Commissioner has got to say about that particular point.

In conclusion, Mr President, while I welcome this proposal, I hope that the principle underlying it will be applied to all aspects of competitive shipping practices and extended logically to shipbuilding and flags of convenience.

**President.** — I call Mr Burke.

**Mr Burke, Member of the Commission.** — Mr President, may I first of all thank Mr Jung for his excellent report on this subject, and say that I am very glad that he has made a favourable recommendation on the Commission's proposals, which are designed to modify slightly, and indeed I hope to improve, the Council's decision of 19 September on the activities of certain third countries in shipping, and at the same time to allow the first practical application of the monitoring procedure set up by that decision? Now before dealing with the various parts of this decision, may I also thank Lord Bruce, chairman of the Committee on Regional Policy, Regional Planning and Transport, for his personal attention and support to me in the elaboration of transport policy, and in particular for his support of this particular directive? I also thank Mr Prescott for his general support: indeed he said that I deserved a pat on the back. Well, being used to receiving other kinds of attention, I am very glad if parliamentarians do express this support, and it helps me to continue on the lines on which I am going. Therefore I am very grateful to Parliament.

I would like to make a point in this area of shipping policy in the Community which is a partial answer to Mr Jung, who wondered why Parliament was being put through the difficult, speedy procedure — why there was pressure of time in regard to these matters. The short answer to that is that this is an area which has been moving pretty quickly. I have had experience of it now since I took over the portfolio. I will recall to Members of Parliament that we put forward to the Council in late 1977 a paper on this whole question, and that I had the opportunity in the earlier part of this year of making four speeches on the importance of shipping in the Community, and those speeches were made in Boston in January, in Bremen in March, in Brussels, as Mr Prescott has mentioned, in September, and then in Rotterdam in October. Our proposals, therefore, following on these political statements, have gone before the Council in April of this year. The basic decision, as the House knows, was taken in June, confirmed by the Council on 28 September, and this is a further improvement of the basic decision which I am very glad to think may receive the full approval of the Council of Ministers in just a few days' time.



**Burke**

We are therefore witnessing something to which I would like to draw the House's attention, because of certain criticisms made last evening in another context, when people were casting doubt on the existence of a common transport policy at all. I think we must give credit where credit is due in this matter. There is some movement in the common transport policy, and as I mentioned in my speech in Rotterdam, it would be helpful I think to public opinion and to political opinion generally if, having witnessed a certain amount of stagnation in this area over a number of years, we now realize and state that there is progress, albeit not as much progress as we would wish, but nevertheless some progress. Let me give you a general statistic about the transport policy of the Community. In the 9 % or so at the time for which we have had a mandate in this Commission to deal with this matter, there has been an increase of approximately 20 % in the legislative instruments in regard to the common transport policy passed by the Council. This is an indication, I think, of an acceleration of achievement in this particular area. May I say also, in regard to what Lord Bruce mentioned about the sixth VAT directive, being also responsible for policy in that area, I share with him very much a sense of the urgency of the necessity for implementation of this policy on the sixth VAT directive, and will be giving attention to it, wearing another hat, over the next few weeks and months.

May I say as regard the first of the objectives of this decision and the modification of the Council's basic decision, this first part, that the Commission believes it is desirable for the Member States to be able to monitor the activities of all operators in particular trades, in order to avoid discrimination, and also in order to be able to see, against the background of the total activity of a particular trade, the activities of those fleets, for example the Soviet fleet, which cause particular difficulties. There are in fact indications that in the four trades which have been proposed — Lord Bruce has mentioned them — after consultation with the shipping industry and governments, as the obvious area for monitoring, the Soviet lines concerned have obtained a substantial share of the trade within a very short time.

Turning to the second proposal, it is of course for the practical application of Article 2 of the basic decision to these four trades: the North Atlantic, Far East, East African and Central American trades. Monitoring of these trades will produce data concerning shipping companies offering services in the trades involved, and the types of vessels used, data concerning the quantities carried and the flag of the carrying vessel, and finally data concerning the freight rates, in order to get an insight into the degree of the underbidding by any shipping companies which are not operating on a commercial basis.

I fully admit that the matter before us here today does not constitute the full gamut of shipping policy. I

have noted for example the references to flags of convenience, but I would invite the House to remember that the fundamental reason why we were able to get through the basic decision in June was an undertaking by the Commission to study this whole question of the flags of convenience. Now may I say to the Members of Parliament, let us take it in stages? I have undertaken to the Council that in fact an examination of flags of convenience will be undertaken in the second stage, and may I say in this regard — and I would like to draw Mr Prescott's attention to it — that as far as I have been able to judge, only one Member State seems to be particularly interested in this aspect of matters. But even that Member State's interest is sufficient for me to continue with this particular work. So let us take it stage by stage. If we can get this through in November, I think that that would be a very great step forward. We cannot pretend that in November we would be able to satisfy all aspects of policy, or indeed bring about answers to the various questions raised here in the House.

I would also say that the Council which is coming up will have three shipping items, of which this one before you is only one. The other is the matter of the UNCTAD code of conduct for liner conferences, and four matters in regard to safety.

In this context I note the question posed to me by Mr Prescott, but I think he would understand that it would be improper for me without adequate prior notice to give an off-the-cuff response to the question he has put, particularly since the question will be answered later on this afternoon in the House. I will see to it that whoever is taking the question for answer will in fact be aware of Mr Prescott's question so that the full discussion can take place in that context. I am prepared to have it more fully explained to you in the proper context, Mr Prescott. I know exactly what it is, but I would prefer it to be left for the question to be put. I therefore thank the Members of the House for their approach to this question, thank the House for the favourable report made by Mr Jung, and recommend the House to adopt the draft resolution. The Commission believes that the adoption of these decisions by the Council would be a significant further step in the Community's action against harmful practices in shipping by certain third countries. A final remark: I too heard the contribution by the Russian spokesman at the Sea Trade Conference in Brussels, but I do not think that he has made a convincing case against what we are trying to do in this particular area. I beg to differ from Mr Prescott's appreciation of the situation, and I think that in fact the fact that we are doing this, that we are getting this decision through, is a proof that Member States hopefully agree with our assessment of the importance for European shipping of the threat from these particular countries.

**President.** — I call Mr Dalyell.

**Mr Dalyell.** — There is a problem here for the Parliament. I did not take part in the debate, because Mr Prescott spoke for the views of many of us. But the Commissioner cannot really come along to the Parliament and say, oh well, there will be opportunity for further discussion this afternoon, because this afternoon there is the debate on economic and monetary union, and the President rightly asks us to keep questions short, otherwise we simply do not get through the questions. It really is a bit egregious to say that there is a chance of further discussion. Now is the time to do it.

**President.** — I call Mr Burke.

**Mr Burke, Member of the Commission.** — Mr President, it would be very helpful if we could widen the debate, which is about the particular decision on which the Parliament is asked to pronounce, to all aspects of shipping policy. If the particular question to me relates to pilotage in the Channel, yes, I can give an answer that there is in fact a proposal coming, at the instigation of the Presidency of the Council, in regard to this matter, but I think that the details and so on should better be discussed in the context which I have mentioned. But I do not wish to widen this particular discussion to the total discussion of all aspects of the coming Council on transport, or indeed to all aspects of the possible Community shipping policy. But there are four safety measures being discussed, and that is one of them. The North Sea agreement is another. As to the actual discussion of the detail, I would prefer that that should be left for another occasion.

**President.** — I call Lord Bruce of Donington.

**Lord Bruce of Donington.** — Mr President, I can understand the Commission's desire not to broaden the discussion over a wide-ranging field. But the Commissioner has not even answered the points that I raised this morning, which dealt specifically with matters other than those relating to state-trading companies. He does not need to enlarge the field of argument to give some satisfactory answer to those questions, and so we have had a debate on this report this morning in which certain specific questions have been asked. They were asked in the most courteous terms. Commissioner Burke has received our congratulations, which are well deserved, on his activities, but he has not replied at all, Mr President, to quite a significant segment of the debate here this morning.

**President.** — I call Mr Prescott.

**Mr Prescott.** — I think the point that my honourable friend has made is a valid one. We don't necessarily want to extend the debate. As to the question on pilots, I don't necessarily want the details from the

Commissioner, but can he confirm when he gets up to reply whether a press statement was given this week on Monday — and I presume the Commissioner is aware of any press statements coming out of his department — about any of these measures, and were they new measures? That is really the point I am trying to make. And whilst he is on his feet — I may not have heard him correctly — there is the question of third countries. Weren't you saying you were doing an investigation into flag of convenience countries? 'Third countries' can mean flag of convenience. Or is it simply the Soviet and East European bloc? If so, put it in the document.

**President.** — I call Mr Burke.

**Mr Burke, Member of the Commission.** — Yest, but the point is that we are taking this in stages, and that in the first stage as the House already has stated — I think Lord Bruce mentioned it — the particular companies that are being investigated are in fact the ones mentioned by Lord Bruce. I regret in fact through lapse of memory that I didn't reply specifically to the question put by Lord Bruce in regard to consultation of the Economic and Social Committee. The answer is, of course, that the Economic and Social Committee was consulted, but for similar reasons perhaps to the pressure of time on us here it hasn't been able to give us the opinion. In regard to the general question of flags of convenience, I have mentioned that we are studying this matter, and that that may form a second stage. I do think that I have in fact tried to answer — and you did ask us to be fairly brief, Mr President, in view of all the other matters — fairly succinctly the points raised in the debate.

In regard to the press statement, Mr Prescott will understand that the traditions of the House which he knows best and indeed the one in which I formerly operated do not require Ministers, or doesn't usually expect them off the cuff to answer matters which have just been brought to their attention on the floor of the House. I am simply reserving the situation to brief myself as to the exact nature of the publicity given to the matter. I cannot at present answer the question directly. I hope he will understand that position.

**President.** — I call Mr Jung.

**Mr Jung, rapporteur.** — (D) Mr President, I just wanted briefly to comment on the suggestion about holding a discussion, a comprehensive discussion, on these problems. In the committee we went very thoroughly into this and observed that it is not enough to talk about problems concerning sea transport alone, inland navigation and other areas also have to be discussed; therefore I think that there is no point having a discussion until we have the necessary information. Mr Prescott, it is indeed the case that my

Jung

interim report emphasizes the need to include the merchant fleets of all countries in the information system and then naturally we would obtain information which would enable us to make recommendations in this House or persuade the Council and Commission to adopt measures in the other field you mentioned — marine pollution, pollution by oil tankers, etc. I also think it is quite clear from my interim report that we must not simply look after the interest of the ship owners to protect them from dumping practices, but that we must act in the interests of our European citizens and not of individual business men. Which is why we welcomed this initiative by the Commission.

Mr President, we shall certainly have to have a very wide-ranging discussion on all possible aspects of these problems and that will certainly have to take place at some later date here in this House.

**President.** — I note that there are no more requests to speak. The vote on the motion for a resolution as it stands will take place this afternoon during voting time.

The debate is closed.

#### 4. Regulation on tinned pineapples

**President.** — The next item is the report (Doc. 352/78) drawn up by Mr Liogier on behalf of the Committee on Agriculture on the

proposal from the Commission of the European Communities to the Council for a regulation amending Regulation (EEC) no 525/77 establishing a system of production aid for tinned pineapples.

I call Mr Liogier.

**Mr Liogier, rapporteur.** — (F) Mr President, colleagues, production of pineapples of Community origin amounts to 13 800 tonnes, mainly in the French overseas department of Martinique. The pineapples are harvested twice a year, first during the June/July period and again during the period October to December.

Under Council Regulation (EEC) No 525/77 setting up a system of production aids for tinned pineapple, a production aid amounting to the difference between the Community offer price for tinned pineapple and the price asked by suppliers in third countries is granted to pineapple processors who agree to pay a minimum price to the producers laid down annually by the Council. The aid is of course granted only to processors using pineapples grown in the Community. In 1977 this aid amounted to 3.6 million EUA.

Experience has shown that processors who have to purchase the sugar and tins needed for production

find it difficult to pay the producers because of the considerable period required for processing pineapples and the delay before they receive the aid.

The Commission is therefore proposing that the processors be given an advance before paying the producers the minimum price laid down in Regulation No 525/77. The advance would be paid upon submission of a written contract between the producer and the processor on the condition that the latter lodges a security against the respect of the conditions on which the aid is granted.

Payment of an advance on aid is nothing new under the common agricultural policy. For example, the Council regulation concerning aid for oilseeds lays down in its Article 10 just such an advance on aid. In the same way the Council regulations fixing the general rules for wine distillation operations provides in its Article 3 for the advance payment of a part of the minimum purchase price for wines by the distillers.

This proposal, therefore, which, as you see, is similar to other provisions already adopted by the Council and which will not have, beyond 1978, any additional financial implications, was unanimously approved by the Committee on Agriculture. This report, which was to have been submitted during the October 1978 part-session, was held up to allow the Committee on Development and Cooperation to give its opinion. The latter, on a proposal from Mr Bersani, its draftsman, gave its unanimous approval to the proposal, as did the Committee on Budgets.

However, this delay of one month enabled us to give the matter some more thought, and now leads me to propose to the Commission that it should consider simplifying this system for granting the aid. In point of fact, the onus on the producer to lodge a security before being able to receive an advance appears to run counter to the system's effectiveness. While the mechanism for granting the advance is simple and rapid, the requirement to lodge a security constitutes an unnecessary complication because the Commission has all the necessary information it needs to ensure that the advance granted is properly used. Moreover, the security would involve expensive bank charges, which is what the payment of an advance is intended to avoid by reducing the interest charges which the producers would otherwise have to pay on the loans they take up while the pineapples are being processed. Nor does it really seem to be particularly necessary, because it goes without saying that the bank or banks certainly satisfy themselves in advance as to the creditworthiness of the processor.

**Liogier**

Finally, since the pineapple harvest begins during the last weeks of May, it would be very helpful if the advances could be granted in good time, certainly not later than the end of March or the beginning of April, so that the system can be used as effectively as possible. I therefore ask the Commission to consider these suggestions.

**President.** — I call Mrs Dunwoody to speak on behalf of the Socialist Group.

**Mrs Dunwoody.** — Mr President, it may be a matter of some surprise to you that I am emotionally involved in the question of tinned pineapple. Indeed, it may seem to you that this is not the most world-shattering issue that we could discuss in this Chamber. But in point of fact, small as it is, this particular incident happens to illustrate one of the problems of the Community. For example, in this particular instance we are considering an aid for a very specific tropical product which, because the area concerned is regarded as part of metropolitan France, is going to receive a production aid. Now, Mr Liogier has introduced this subject with his customary efficiency and thoroughness and I hope he will not take my remarks as a criticism of his report. But I must say that in the committee I was very concerned with the way in which this entire subject was handled.

The Committee on Agriculture was given, as one of the last items on the agenda, a proposal to advance monies to producers of pineapple who, we were told, as we have been told this morning, have to buy tins and sugar. Now with the very greatest respect to the Commission, what other overheads do you have apart from tins and sugar if you are growing pineapple for the European market? What differences are there in the price that the Community pays for tinned pineapple from Martinique and the price that the producers in the ACP countries receive? Now many ACP countries also produce tin pineapple. It is not an uncommon product. What is happening is precisely what frequently happens inside the Community. We are maintaining a double standard. We are saying, if you are an ACP country — though heaven help me if I say this to the French-speaking territories — and you are not directly connected with the Community then you must run the normal risks of putting your pineapple on the Community market at whatever price you can get for it. But we are told that one particular area of the Community must have special assistance, and not only special assistance, but special assistance in advance, because it has to pay high social security taxes. In fact Mr Liogier actually suggested this morning that they should not even lodge a security against performance, because that is an unnecessary expense.

Now, I say to the Commissioner that if we are to be taken seriously by our ACP partners we have got to make up our minds what our attitude is going to be. If

we are genuinely attempting to open European markets to those who produce tropical products, and from whom we wish to buy, and to whom we wish to sell, then we cannot maintain a system of production aids inside the Community that say, if because of a historical accident you happen to produce this tropical product inside a different grouping of national States, then of course in your case we will not apply the same rules of competition that are applied to the ACP countries. Now this is the situation that we are getting into and this, if I may say so, is an indication of the kind of situation that can arise. We are told that it is not a very great amount of money. Of course it is not, but it is a matter of principle. We are told that it will only apply for a limited period. But it has applied and it does apply and it does demonstrate the problems that occur in more than one field.

So I say to the Commission, firstly, do not make a practice of bringing to the Committee on Agriculture questions like this which have not been properly examined and to which the civil servants concerned are not ready to give answers. Indeed if you want me to be brutally frank, they were not even present when the item was actually discussed. And that was the reason that it was held over. Do not imagine that when the ACP States are renegotiating the Lomé Convention they will continue to accept the situation, where the Community says, on the one hand, well of course you are outside our normal bounds and we will offer you some sort of arrangements, but only for those products which happen to suit us. They will then say to you: How is it that you suddenly have special arrangements for certain products but we are not included in these arrangements? And I say to Commissioner Burke with the very greatest respect, it is a question, if I may say so, of honesty and one that will be raised in the future with greater urgency than in the past. The Community cannot continue to apply arbitrarily one set of rules to the ACP countries and another to those whom it regards as being part of the Community. That is what it has been doing up to now. I certainly have no desire to contribute to the difficulties of the pineapple producers of Martinique. I have no doubt that there is no reason why this particular aid should not go ahead. But, I put the Commission on notice that if this continues, some of us will be asking what is the status of tinned fruit imported from the associate countries like Israel, from the old ex-Commonwealth countries and from the ACP? If it is different and if the subsidies given by the Community are different, then you are going to encounter a certain amount of difficulty, not only from those nations, but from those of us inside the Community who are getting increasingly fed up with an agricultural policy that, with the best will in the world, one can only describe as astonishingly inequitable.

**President.** — I call Mr Liogier.

**Mr Liogier, rapporteur.** — (F) Mr President, Mrs Dunwoody has raised two problems which should not be mixed up.

On the basic problem, I should like to say to her simply that Martinique is a French department where, happily, salaries and the standard of living are a great deal higher than is the case in a great many countries supplying pineapples, whether in Africa or elsewhere; in these circumstances there is a real need to help producers make up the difference.

But, for the time being, that is not the problem: it is simply a matter of whether or not we agree to advances on aid. Well, as I have mentioned in the explanatory statement which you have before you — and I also made the point in my oral statement — advances on aid are nothing new under the common agricultural policy. Such advances are also granted to countries within the Community itself, and I gave the examples of oilseeds and wine. There is no reason why pineapples should be excluded.

**President.** — I call Mr Burke.

**Mr Burke, Member of the Commission.** — Mr President, the Commission thanks the rapporteur for the understanding that he has shown of the Commission's proposal and for the comprehensive report that he has presented. There is little on the report itself that I can add — it is excellent. But the system of aid that has been mentioned for the Community's small pineapple canning industry has now been in operation for two years, and is achieving the objectives we had in mind. In operation, however, a small difficulty has emerged. This difficulty has been adverted to by a number of speakers. Particularly Mrs Dunwoody has spoken about the factors like sugar, cans and so on, as well as the minimum price to producers. But they are faced with a delay as matters now stand before being able to claim Community aid. What this regulation seeks to do is to remove this difficulty following solutions already adopted in other sectors. I hope that the honourable Members will be able to accept the measure, and I recommend it to them accordingly.

Now I listened with great care, and indeed, may I say, speaking personally, an amount of sympathy to the matters raised by Mrs Dunwoody. She mentioned the fact that if a different system exists for the ACP exports and for Martinique than we are operating double standards. She mentioned the fact that the question has not been thoroughly examined, and that the principle involved is more important than a few tins of pineapple. She mentioned that one set of rules seems to apply to ACP and another set for Member States. All I can do in this regard is to say that the aid to the canners is paid on condition that they pay a certain price to producers, and I do not think I can follow the rapporteur in his request for further modifi-

cations of the situation that we have now reached. With regard to Mrs Dunwoody's contribution, I would just make the point, promising to draw the attention of colleagues more particularly involved both with agriculture and development aid, that the balance of the ACP Lomé agreement concerns a much wider field than the one we are discussing here. And I would draw the House's attention to the criticism often made of the Community that the CAP includes the principles of Community preference. I don't expect to give any answer here which would satisfy Mrs Dunwoody's preoccupations in this regard, except, to say that I would draw the attention of colleagues more particularly involved to the case she has made and then invite them at a later stage to respond in the appropriate instances to the points she has made.

**President.** — I note that there are no more requests to speak. The vote on the motion for a resolution as it stands will take place this afternoon during voting time.

The debate is closed.

#### 5. Regulation on temporary importation arrangements

**President.** — The next item is the report (Doc. 405/78) drawn up by Mr Inchauspé on behalf of the Committee on External Economic Relations on the

proposal from the Commission of the European Communities to the Council for a regulation on temporary importation arrangements.

I call Mr Inchauspé.

**Mr Inchauspé, rapporteur.** — (F) Mr President, this draft regulation will, I think, arouse fewer passions and emotions than the preceding reports because it is basically technical in nature; however, it does have an essential practical bearing on the circulation of goods within the nine Community countries.

What is involved is the establishment of common rules allowing the temporary importation of goods with total or partial exemption from the payment of duties. The harmonization of these arrangements has three objectives: first, to achieve uniform application by the Member States of the common customs tariff; second, to allow temporary admission of this kind to apply throughout the entire Community; and, third, to counter distortions of the conditions of competition between on the one hand, users of goods subject to the temporary importation arrangements and, on the other hand, users of similar goods obtained on the Community market.

This draft regulation thus represents an important step in the implementation of the customs union, on which the entire Community is based, and therefore has a major practical significance.

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It consists of 6 titles and number of annexes. Title 1 lays down that the regulations shall apply to goods of all kinds and origins, including — and perhaps principally those which come under the common agricultural policy.

It also lays down the quantity of goods authorized and fixes the period that they may remain in the Community at a maximum of 24 months. The last paragraph of Article 5 permits the authorities, where there is good reason to amend the conditions of the authorization and to extend the 24-month period.

The Committee on External Economic Relations, however, felt that this matter needed to be looked at with particular care and felt that this 24-month period ought not to be exceeded. Nevertheless, in response to the wishes of the Commission, it decided to agree to the exception, but on one condition (and this is the object of the amendment to Article 5): that the Commission be informed before any decision is taken.

The other provisions of Title 1 can be summarized as follows: the benefit of the arrangements will be granted to natural or legal persons; it must be possible to identify the goods in question; the arrangements will be granted by means of authorizations, which may be revoked if improper use is made of the arrangements.

It should also be pointed out that the benefit of the arrangements may be transferred to any other person in the Community, an important point.

Title IV lays down that the movement of goods within the customs territory of the Community shall take place under a single authorization valid for the whole of this territory; the regulation cannot in practice become fully effective until the requirements of Article 26 have been satisfied. In other words, we are waiting for the Commission and Council to draw up the list of goods to benefit from these arrangements.

We thus have two systems: total and partial exemption. As regards the latter, Mr Kaspereit has tabled an amendment to Article 24 (which the committee has not looked at), which perhaps assesses somewhat more realistically the cost of an importation with partial payment of duty. Let me explain: Article 24 stipulates a duty of 3 % of the actual value of the goods being temporarily imported with partial exemption of duty. But in fact, all these contracts are issued in the form of hire contracts with a carefully specified value: this duty would thus be based on a value which might well be fictitious and which, on leaving, might encourage certain types of fraud and give rise to certain disparities. Mr Kaspereit's amendment introduces a somewhat more realistic note, because he specifies that the partial levying of these import duties would be based on the stated amount of the hire contract established under fully competitive conditions. I myself would therefore recommend that the House adopt this amendment.

Title V contains provisions on the final discharge of the arrangements, i.e. the conditions under which they are considered to have terminated. As for Title VI we felt there was a need for more effective Commission control over certain types of goods benefitting from the temporary import arrangements. The draft regulation stipulates that all temporary importation operations must be communicated to the Commission. I felt, initially, that it would be sufficient if this was done at the request of the Commission, so as not to give it unnecessary work. However, the Committee on External Economic Relations, under the chairmanship of Lord Castle, felt that the Committee for Customs Processing Arrangements should lay down the value above which the Commission would be informed. This is the purpose of the amendment to Article 32, which I would also ask you to accept.

In conclusion, the Committee on External Economic Relations welcomes the proposed regulations, which cannot be denied a certain practical value, because they will, in future, simplify and harmonize throughout the Community the movement of certain types of goods under the temporary importation arrangements. We would simply like the Commission to draw up the list provided for in Article 24 as quickly as possible.

I will finish by saying that the Commission's job should be made as simple as possible and it should be given all appropriate cooperation, particularly as regard staff, to ensure the correct administration of the temporary importation arrangements. To this end, the Committee on External Economic Relations feels that additions should be made to Articles 5, 24 and 32 in the manner indicated.

**President.** — I call Mr Jung to speak on behalf of the Liberal and Democratic Group.

**Mr Jung.** — (*D*) Mr President, the Liberal and Democratic Group welcomes the idea behind the Commission's proposal on temporary imports. This proposal is of great practical importance because such arrangements will simplify the international division of work.

The only question is whether the system of partial payment of duties of a kind similar to that used in some of the Member States is the best solution, for this system will certainly have the effect of increasing costs in those Member States which have not until now had any such arrangements. From the trade policy aspect, too, this regulation does not seem entirely desirable in some cases and it must also be said that the partial payment system is likely to increase administrative costs. These disadvantages apply particularly — let me make this quite clear again — to those Community countries who have been using any partial payment system, temporarily imported goods being fully exempt from duties under

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their customs laws, since the use of such goods may be supposed to be of considerable advantage to the users without containing any disadvantages for other industrial sectors protected by the duty. These disadvantages of the system of partial payment of duties should not be overlooked for other industrial sectors protected by the duty. These disadvantages of the system of partial payment of duties should not be overlooked and there is much to be said for a policy allowing temporary importation free of duty in so far as this does not conflict with any significant economic interests in the Community. This is true moreover of other cases than those listed in Articles 7 to 21.

In conclusion, may I make one criticism of Title V of the proposal for a regulation. According to this the arrangements for temporary importation terminate when the goods are exported. The goods are placed in a customs warehouse only prior to re-exportation; their entry into free circulation may be authorized only for reasons which have arisen subsequently to the importation and are accepted by the authorities. These restrictions, I am quite sure, are not only impracticable, they are also superfluous. A much better approach would be to provide that the temporary importation arrangements shall normally terminate with the goods being brought under another customs procedure, save in the event of re-exportation. Lastly, it would also be desirable to make it possible for the user to put temporarily imported goods whose dutiable value had already been assessed into free circulation without intervention by the customs authorities.

To sum up, I should like to say, on behalf of the Liberal and Democratic Group, that we can endorse the general approach and objectives of this proposal for a regulation, but feel that the Commission should consider the advisability of altering the proposal in the way I have indicated.

**President.** — I call Mr Burke.

**Mr Burke, Member of the Commission.** — Mr President, the object of this regulation is to set up a Community system of temporary importation to replace the national rules and regulations which exist in the various Member States. Although adopted in order to implement a number of international conventions, these rules and regulations sometimes contain differences. The proposal is the fruit of four years' discussions in the Customs Legislation Committee which approved it about two years ago in June of 1976. It might be worth mentioning that in the meantime it was also the subject of discussions in the framework of the Advisory Committee for Customs Matters in September 1977. Although there was no formal obligation for this consultation, the views expressed by the representatives of the various professional associations assembled in that committee have proved to be very helpful and have been turned to good account.

Now the Commission is very glad that the Committee on External Economic Relations which examined the proposal last October not only endorsed the objectives but also the text as such. The minor amendments proposed to two of the 35 articles can be accepted and this will no doubt strengthen the role of the Commission and the Committee for Customs Processing Arrangements which has to deal with customs procedures having an economic impact and, in particular, with questions concerning the application of the proposed regulation.

With regard to Article 32(1), might I make a suggestion for the consideration of Parliament. May I suggest that a more suitable wording of the text might be, and I quote, Member States should communicate to the Commission data relating to importations which, because they are of a significance to be determined by the Committee for Customs Processing Arrangements or because of the special circumstances in which they were carried out, may warrant an examination at Community level.' The amendment which has already been proposed refers only to the quantitative aspect of the matter. I would therefore suggest that the words 'or the special circumstances in which they were carried out' should also be added in order to cover all aspects of the matter. I offer this for the consideration of the House and thank the rapporteur and the House for their appreciation of the importance of this matter.

**President.** — I call Mr Inchauspé.

**Mr Inchauspé, rapporteur.** — (F) Mr President, it seems as though the Commissioner has, as it were, tabled a sub-amendment to Article 32; in my view, it merely adds a qualitative aspect to the quantitative element which we had proposed with regard to the determination, by the Committee for Customs Processing Arrangements, of the significance of the information. If that is it, I think that the Committee on External Economic Relations is perfectly agreeable, particularly since the change completely reflects its own thinking.

I should also like to reply very quickly to Mr Jung on the question of partial exemptions: Mr Kapereit's amendment should satisfy him in part because, initially, Article 24 provided for a very precise duty of 3% for each month of importation. The practical result of this would be that the maximum amount of normal customs duties on the importation of these goods would be reached very quickly. To lessen this disadvantage, the amendment tabled here today makes it possible for the responsible authorities to impose the duties they consider necessary not on the value of the goods, which would result in a considerable amount, but on the value of the hire contract, in such a case the duty would be considerably less and would correspond more closely to reality because, since the importation is only temporary, no real sale is involved.

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We have entered a second safeguard into the proposal for a regulation which has the effect of ensuring that, whatever happens, duties levied in the case of temporary importation with partial exemption will never be as much as the real duty would have been. I hope that these two safeguards will satisfy Mr Jung. In conclusion, Mr President, I would simply like to thank the Commissioner and the House for having listened to this somewhat difficult and technical report which is, nevertheless, very important.

**President.** — I call Mr Burke.

**Mr Burke, Member of the Commission.** — I should just like to thank the House again for the attention it has given to this matter and to say that, rather than reject the amendments to Article 24 put before the House this morning, I should like to reserve the position of the Commission.

**President.** — I note that there are no more requests to speak. The vote on the motion for a resolution as it stands will take place this afternoon during voting time.

The debate is closed.

### 6. Regulation on trade in oils and fats between the Community and Greece

**President.** — The next item is the report without debate (Doc. 432/78) by Mr Albertini on behalf of the Committee on Agriculture on the

proposal from the Commission of the European Communities to the Council for a regulation on trade in oils and fats between the Community and Greece.

I call Mr Albertini.

**Mr Albertini, rapporteur.** — Mr President, I shall be very brief because this is not a major issue and the proposal is primarily of a technical nature. It is designed to make permanent the system, currently in force until 31 October 1978, for fixing the import levy on olive oil originating in Greece.

This means extending to this sector the principle contained in basic Regulation No 1562/78 of fixing the import levy by tendering procedure in order to maintain a balance in Community import prices.

An import levy would thus be fixed on olive oil originating in Greece. The procedure is as follows: importers of olive oil from Greece are required to indicate in their application for an import licence the rate of levy which they undertake to pay. The Commission then fixes a minimum levy, taking account of the situation of the Community market. Only those importers who have indicated a levy equal to or higher than the minimum rate fixed by the Commission will receive the import licence.

The Commission has proposed that a levy also be fixed for olives and olive-oil cake. The quantity

involved in this provision is only small compared with the imports of olive oil which amount to 18-20 000 tonnes per year. The rapporteur recommends that this proposal be approved by the Assembly since it has received a favourable opinion from the Committee on External Economic Relations and the Committee on Agriculture has unanimously approved it.

**President.** — I note that there are no more requests to speak. The vote on the motion for a resolution as it stands will take place this afternoon during voting time.

The debate is closed.

### 7. Regulation providing for an aid for degerming maize

**President.** — The next item is the report (Doc. 412/78) drawn up by Mr Howell on behalf of the Committee on Agriculture on the

proposal from the Commission of the European Communities to the Council for a regulation providing for an aid for degerming maize.

I call Mr Howell.

**Mr Howell, rapporteur.** — Mr President, in proposing the adoption of this report, I would point out that the Committee on Agriculture gave serious consideration to the proposals put forward by the Commission, but we decided that these proposals should be rejected, as we found that they had no sound case for dealing with this matter and we felt that it was quite unnecessary for the Commission to be involved in aid for the degerming of maize.

The case put forward by the Commission was that we should act because there was a strong demand for the oil. This oil is of very high quality and we already produce over 85% of our requirements. Even if the Commission's proposals were accepted, we would only be producing about a further 5% bringing it up to something like 90%. All in all we felt that this aid, at 1.1 million units of account and rising to 1.5 million units of account, would only interfere with the equilibrium of the market in this high quality commodity and that there was no point at all in the Commission concerning itself with this particular matter.

I hope that Parliament will accept the findings of the Committee on Agriculture that these proposals should be rejected. I think there is more to it than just that a set of proposals should be rejected. I think that the point should be made that the Commission should not involve itself with unnecessary matters. I would remind Parliament of the reports by the President of the Commission, Mr Jenkins, on resistance to overgovernment generally in the Western World. He referred to regulations such as the control of lawn mowers, and so on. Now I put this proposal in the same category



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and I think that we do ourselves no good whatsoever in dealing with sectors of the market which because of high demand for a particular product are perfectly capable of looking after themselves.

The second part of this report suggests that if the Council adopts the Commission's proposal, contrary to the will of the Committee on Agriculture, Parliament should have a full opportunity of checking on any proposal which is adopted. But I think that is rather a poor position to adopt, and I believe that we should urge the Council to withdraw these proposals and not to go against the wishes of the Committee on Agriculture. With those few remarks, Mr President, I present this report.

**President.** — (F) I call Mr Inchauspé to speak on behalf of the Group of European Progressive Democrats.

**Mr Inchauspé.** — (F) Mr President, I should like to add our support to the conclusions of the rapporteur and the Committee on Agriculture, because in addition to the astonishing points he made there is a further absolutely extraordinary anomaly: it is that if we agree to this aid we will in fact be granting an aid to the by-product of a main product: Everyone knows that corn oil is a by-product of the manufacture of starch produced in various European factories, and it would be both extraordinary and inefficient to give aid for the production of a by-product without aiding the product itself. I won't go into the technical details, but the experts will understand what I mean. I therefore ask the Council and Commission to agree to the wishes of the rapporteur and the Committee on Agriculture. We are completely opposed to this aid, mainly for reasons of principle but also for practical reasons.

**President.** — I call Mr Burke.

**Mr Burke, Member of the Commission.** — Mr President, without wishing to go too deeply into the genesis of the present proposal, I would like to recall for the attention of the House, the following five points.

1. During its meeting from 8 to 9 May, 1978, the Council took note of the Commission's intention of examining the possibility of granting an aid for degerming maize, excluding degerming carried out by the starch industry, and its intention of presenting proposals to the Council before 1 July, 1978. The Commission repeated its undertaking during the Council's meeting of 20 June, 1978.

2. The proposal responded to a request made by the Italian Government. This request was motivated by the fact that since the repeal in 1973/74 of the supplementary aid granted for rapeseed crushed in Italy, the present Community market organization in the oilseeds sector does not allow Italian vegetable oil

producers to secure raw material of Community origin on the same conditions as those available to their competitors in other Member States.

3. The cost and economic effects of the proposal are minimal, since the total expenditure proposed is estimated at 3.9 million EUA over three years. This expenditure would allow quantities of maize-germ available in this sector in question to increase from 60 000 tonnes to 80 000 tonnes. The result will be a better rate of capacity utilization in the degerming sector, the supply to oil-mills of a raw material, which for the moment is not abundant, and finally an increase in availability of 4 000 tonnes of this oil, which is very much in demand by consumers.

4. The adoption of this proposal would produce substantial political advantages since it would facilitate the discussion which will take place during the coming months on other proposals for the oilseeds sector. I would point out that, in deciding to submit this proposal to the Council, the Commission was concerned to avoid difficulties during discussions on the important problem of regional intervention price for oilseeds.

5. In conclusion, Mr President, I should like to suggest that the honourable Members consider adopting a more favourable approach to this proposal and take the view that the economic impact is modest and that we can expect positive results in keeping with the level of expenditure which it implies. I would like to stress that the political aspect of this matter is of very considerable importance.

**President.** — I call Mr Klinker.

**Mr Klinker.** — (D) Mr President, these brief remarks by Mr Burke have done nothing to alter my view. There is a contradiction in the Commission's position. First, we have the problem of olive oil and colza, and then another kind of oil from imported maize is introduced. This oil is certainly of a very high quality; if the consumer wants it, there is no reason why he should not pay the full price for it. I believe this aid, which is really more a subsidy for the industry and the consumer, should not be added to the Community's agricultural expenditure. This gives the wrong impression and my group has said so quite clearly. Therefore, like the two speakers before me, I would ask the House to reject this proposal.

**President.** — I call Mr Howell.

**Mr Howell, rapporteur.** — Mr President, I am very disturbed at the inflexibility of the Commissioner in his reply. He has not taken any notice whatsoever of the findings of the Committee on Agriculture and has merely trotted out the same arguments which we heard when the Commission representative put it forward in committee. I think this is totally unacceptable. The Commission must take note of what we

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think and must listen to the arguments which we have put forward. And to maintain again here in this Assembly that, because there is a strong demand, the Commission feels that it has got to be involved in this matter does not make sense. It cannot make sense, and really I do feel that the Commissioner has failed totally to make a reasonable response to the careful consideration which has been given to this matter in the Committee on Agriculture.

**President.** — I call Mr Burke.

**Mr Burke, Member of the Commission.** — Mr President, I respect as much as anybody in the House the activities of the said committee. I have given a fairly full reason why the Commission takes the view it does. I have laid some stress on the political necessity of doing something in this area. I would only ask the House, with its reservations in regard to the substance of the matter, to consider the political points that I have put forward.

I have greatest respect for the Committee on Agriculture, Mr Howell, but I would ask you to consider that aspect of the matter also.

**President.** — I call Mr Howell.

**Mr Howell, rapporteur.** — May I ask the Commissioner to spell out the political implications? We do not know them, we have not heard them.

**Mr Burke, Member of the Commission.** — But with respect, Mr Howell, I have. I have put it, first of all, that it was a proposal responding to a request made by the Italian Government. I have pointed out the fact that the costs are relatively minimal, since the total expenditure is 3.9 million units of account over three years. I have suggested — and in political matters one cannot quantify certain things — that the proposal will produce substantial political advantages, since it will facilitate the discussions which will take place in the coming months on other proposals for the oil-seed sector. And I have asked in conclusion that they should take these points into consideration in making a political evaluation of the importance of the regulation proposed.

**President.** — I call Mr Klinker.

**Mr Klinker.** — (D) Mr President, to justify these 3.9 million units of account as a political necessity is, in my view, no justification; for this oil, which is of a high quality, can perfectly well be paid for in full by the consumer and does not need to be subsidized from the Community's agricultural funds. We and we are speaking for the Committee on Agriculture, say that this is simply a subsidy for the industry and — if you wish — for the consumer, and that just will not

do. For we believe that the Community funds must be used to help the agricultural sector. That is the point of an agricultural policy and there is no question of damage being sustained on account of these 3.9 million units of account. If this alleged political advantage should make the Italian Government withhold its support for some fundamental decisions, then the Committee on Agriculture will have no sympathy with that, either.

**President.** — I note that there are no more requests to speak. The vote on the motion for a resolution as it stands will take place this afternoon during voting time.

The debate is closed.

As agreed, the debate on economic and monetary policy shall begin at 4.00 p.m.

The proceedings will now be suspended until 3.00 p.m.

The House will rise.

*(The sitting was suspended at 11.20 a.m. and resumed at 3.00 p.m.)*

IN THE CHAIR : SIR GEOFFREY DE FREITAS

*Vice-President*

**President.** — The sitting is resumed. Earlier a question was asked as to what decision the enlarged Bureau had taken about the place of the April 1979 part-session. The enlarged Bureau discussed this matter on 12 October. This morning it confirmed its decision. The April part-session will be held in Strasbourg.

The enlarged Bureau also examined the problems of voting on Fridays. It considered that it was necessary to vote on Fridays, otherwise the debates of that day and of Thursday afternoon would remain without a conclusion. However, it agreed, on the lines of what had already been done, that on important matters debated on Thursday afternoons the vote would be taken at the beginning and not at the end of Fridays sitting.

The enlarged Bureau also examined the request made by Lord Castle in his letter about the oral question with debate on GATT, i.e. Doc. No 454/78. The Commission, which was represented at that meeting, said that it faced difficulties if debates were added to the agenda from one day to another. The enlarged Bureau noted that Lord Castle's Question No 31 for Question-Time today, related to the same subject. It decided not to propose to include the oral question with debate in Friday's agenda.

**President****8. Question Time**

**President.** — The next item is the third part of Question Time (Doc. 431/78). We continue with questions put to the Commission.

Question No 9, by Mr Power :

Would the Commission consider promoting a major European Community cultural week each year, rotating among the Member States, where examples of the various cultures of Europe — song, dance, theatre, art, etc. — could be highlighted ?

**Mr Jenkins, President of the Commission.** — We certainly welcome the promotion of the European Cultural Week, as well as any other initiative which might encourage better understanding of the Community. Up to now, however, the Commission has not received any concrete proposals in this direction. It might be useful, though, to draw the attention of those wishing to promote a cultural week to the experience of others who have undertaken promotions in the cultural field within the Community framework. I have in mind here such events as the Europalia in Brussels, the Saison Européenne in Brest, the Festival of Flanders and the European Salons in the Castle Museum in Norwich.

**Mr Power.** — I note that the Commissioner is in favour of such a week. Does he not think that now would be the time to carry out this experiment ? Is he aware of the concern that was expressed in this Parliament yesterday by all shades of political opinion for ethnic and linguistic minority groups who are in danger of extinction ? I share with him the opinion that any endeavour or money spent on this particular activity would be well spent.

I trust that as a result of this question, he will pursue this matter and let us hear further about it.

**Mr Jenkins.** — The Commission will certainly be willing to discuss the matter and to see to what extent it can assist those who have such a promotion in view. I do not think the Commission could itself undertake the organization of such a week. The Council has agreed that certain educational and cultural matters do fall within the competence of the Commission, but the exact extent of that has long been a matter of debate and is not clear. I think we could and would work enthusiastically with others in such an enterprise, but I do not think it would be right for me to give the impression to Parliament that the Commission on its own can set up such an occasion.

**Lord Murray of Gravesend.** — Following the President's last reply, which I appreciate, I wonder what the Commission is prepared to do in minor Community weeks in the sense — and I am not being facetious — of smaller towns wanting to establish links with the Community. Is there likely to be a figure given of the financial assistance that could be given to areas that are not major cities but smaller towns and cities such as Gravesend ?

**Mr Jenkins.** — Well, I shall certainly be very glad to receive and consider any proposition from smaller towns such as Gravesend or others which are suitable. From the list of cultural activities I have indicated, it will be seen that they have not been too capital-oriented. The House will recollect that I mentioned Brest and Norwich in the list. Both of these are regional capitals. We do not necessarily wish to confine ourselves to regional capitals, and the Commission will certainly be open to consider constructively with towns smaller than those I have mentioned the way in which they might be able to help, but the Commission cannot take the initiative in organizing functions in towns such my noble friend has in mind.

**Mr Ellis.** — Would the President of the Commission say that, if the Commission does come to consider grant applications, such applications would be considered most favourably from those cultural festivals which are well established, highly successful and international and which have been long in existence, such as the Llangollen International Festival, which takes place partly in my constituency ?

**Mr Jenkins.** — I am indeed aware of the question which my honourable friend has raised in relation to the Llangollen Festival, which is, as he says, a well-established and notable function, and we would consider, without commitment but sympathetically, anything that comes forward from that.

**Mr L'Estrange.** — The President of the Commission has stated that he would welcome any promotion that would lead to better understanding, but that up to now there has been no concrete proposition. I would like to ask him : if there is any concrete proposition from a member country, can he or the Commission give any financial help from EEC funds ?

**Mr Jenkins.** — Yes, there have of course been, not merely concrete proposals, but concrete undertakings in the past. I would not like to give the impression that Europe has been a cultural desert — this is far from being the case — and I gave several examples. But on the matter raised by Mr Power there have not yet been concrete proposals. If such concrete proposals were made, then we would consider the matter sympathetically. I would not like to give the impression that we have such large funds available that you merely have to put a proposal to us for it to be generously financed. Equally, I would not like to give the impression that no money is available for a worthwhile, well thought out proposal within the terms of the question. We will consider it sympathetically within the range of our limited but existing resources.

**Mr Willi Müller.** — (D) Is the Commission aware that the Council of Europe has done noteworthy and commendable work in this very field, and that some coordination would be advisable if we are to avoid duplication of effort between the Council of Europe and the European Community ?

**Mr Jenkins.** — Yes, as I think will be clear when we come to the next group of questions; I have no desire to duplicate unnecessarily the work of the Council of Europe. On the other hand this question was put in a specific Community framework. I think there is room for Community action, but we will certainly always consult with the Council of Europe with a view to determining where we can supplement each others' work rather than work at cross purposes.

**Mr Cunningham.** — May I congratulate the President of the Commission on the cautiousness of his reply to this question, and will he always bear in mind, as I am sure he does, that Shakespeare, Molière, Bach, Beethoven and a million others all existed and came into being without benefit of either the Commission or its fund. Therefore any role the Commission plays in this field will be of very little importance to culture.

**Mr Jenkins.** — I shall certainly bear in mind these important historic parallels. But I shall also bear in mind that though they came into existence, they did not perhaps achieve their full flowering without some form of patronage. The form which patronage can appropriately take may change from age to age.

**Mr Dalyell.** — I recollect the very considerable success of the European choirs when they came to Edinburgh. Couldn't a little more money be found for the choirs of the Community?

**Mr Jenkins.** — Yes, I have great respect for the work of the European Choir and, indeed, for the work of the European Youth Orchestra which has had notable success over the past six months. We always try to help. What we really have to do is to strike a balance. I am sure the House appreciates that our funds are not unlimited. But we try to dispense the funds we have in as reasonable, fair and sensible a way as possible. We cannot just pour out money for any enterprise. But often if we apply a sensible rule we can support enterprises which without our aid would not be able to survive.

**President.** — Question No 10 was taken on Tuesday. Since they deal with the same subject, I call jointly: Question No 11, by Mr Patijn, who is replaced by Mr Sieglerschmidt:

Would the Commission be in favour of the European Community's accession to the European Convention on Human Rights, and would it prefer this to the guarantee of certain basic rights solely by decision of the Court of Justice of the European Communities or the unilateral incorporation of the relevant provisions of the European Convention on Human Rights into Community legislation, and what timetable does the Commission consider realistic for the European Community's accession to the European Convention on Human Rights?

Question No 12, by Mr Calewaert:

If the European Community is to become party to the European Convention on Human Rights, what conditions, in the Commission's view, would have to be fulfilled in respect of the provisions of this Convention?

Question No 13, by Mr Forni:

As guardian of the Community Treaties, does the Commission feel that the powers and importance of the national courts, on the one hand, and of the European Court of Justice, on the other, would be undermined if the European Community acceded to the European Convention on Human Rights?

**Mr Jenkins, President of the Commission.** — I should begin by saying that it is not at present possible to give definitive answers to the different issues raised by the honourable Members, because, as I informed the Legal Affairs Committee, with whom I had a very constructive session, in my view at any rate, in September, the Commission is still studying the question of the accession of the Community to the European Convention on Human Rights.

I underline that this is complex question with many important legal and institutional aspects, which need to be looked at very carefully. I also emphasize the fact that the Commission remains of the opinion that the protection of fundamental rights in relation to Community acts is adequately guaranteed by our own Court of Justice, but, nonetheless, we have to consider whether the case-by-case method employed by the Court of Justice is one which will, in the long term, serve the best interests of our citizens. We have to ask ourselves whether we would better guarantee protection of fundamental rights by joining the existing system of the European Convention. Would we be in a better position to defend ourselves in cases where Community decisions were contested before the existing system which operates here in Strasbourg? Would we reduce the risk of the courts of certain Member States challenging the validity of Community acts on the grounds that the Community had no written catalogue and that such acts were not in conformity with the rights laid down in their constitutions? These are some of the main questions which pose themselves.

There are difficulties. The convention was drawn up nearly 25 years ago to assure certain basic fundamental human rights. It only covers in a rather limited way rights in the economic and social field, and it cannot therefore be said to be ideally adapted to the needs of the present Community. There are some other problems to be faced: for example, what form the representation of the Community should take both within the Human Rights Commission and in

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the Court of the Convention. Finally, there is the problem of whether the Community could admit the individual right of petition, and whether Community participation should be limited to its own, the Community's, field of activity.

There are, therefore, obviously still major issues to be weighed. Obviously the opinion of the Community's Court of Justice and the views of parliamentarians must and will be taken into account. But I should like to say on a personal basis that although there are real problems, which I have indicated, I believe that we should approach this issue of accession to the European Convention positively and optimistically.

**Mr Sieglerschmidt.** — (*D*) May I ask first of all whether you feel that an initiative from the European Parliament in this field would be useful for the decision and the work of the Commission, which you just mentioned.

**Mr Jenkins.** — Yes, my answer is, I believe that that could well be of considerable importance.

**Mr Forni.** — (*F*) The Representative of the Commission said that it is 35 years since the European Convention on Human Rights was adopted. The problem facing us today is the question of when the Community could accede to this Convention, and I would be grateful if the representative of the Commission could give me as clear as possible an answer.

**Mr Jenkins.** — I am not sure whether the error occurred in translation. I mentioned 25 years in my statement but I heard 35 over the ear phones. However that is a matter of arithmetic rather than principle. I hope that we can deal with this matter in the reasonably near future. The Commission intends to publish what is sometimes called a green paper on the issue in January or February — i.e. in two to three months' time — on the basis of which I hope a decision can be taken.

**Mr Dalyell.** — Is the President aware that following the case of the Scottish teachers, I have had very constructive contacts with Mr Fawcett and Mr Kruger of the Commission. Is it not one of the problems that there are difficulties for those Member States such as the UK which do not have a written constitution and a bill of rights, and is it not one difficulty that the public often regards the admission of an application as a final judgment. In fact, when the Commission suggests that a *prima facie* case exists it is simply asking the court to look at the position. No assumption should be made simply because an application was admitted. Do not these problems in fact merit an approach by the European Commission to the Council of Ministers of the Council of Europe?

**Mr Jenkins.** — Well, I think that my honourable friend is certainly right in saying that it would be

quite wrong for opinion in any country, with or without a written constitution, to regard the opening of procedures as equivalent to a judgment on the issue. I strongly endorse what he has said on that matter. I am not, however, at all clear that the accession of the Community as such to the European Convention on Human Rights would raise new problems in the United Kingdom or any part of the United Kingdom, as the United Kingdom itself is of course already a signatory to the Convention.

**Mr Fletcher-Cooke.** — Could not the European Community through the Commission, take the prior step of making the Convention on Human Rights part of Community law. Is it not a fact that there is quite a strong body of judicial opinion, even among the judges, in the European Court of Justice in Luxembourg, who think that it already is part of Community law, whereas there have been judgments in national courts, particularly in the United Kingdom, which say that it is not. Once it became part of the law of the European Economic Community it would have to be enforced in national courts without any recourse to Strasbourg at all.

**Mr Jenkins.** — I am certainly aware of the problem which the honourable member raised. If the Community acceded, which I hope, after due consideration of the difficulties, may be possible to the Strasbourg Convention, it would do so essentially in relation to areas of Community competence. The Community court, as the honourable Member indicated, already treats the Convention as part of Community law. It is more a matter for the individual States and I think that it would improve the position there necessarily solving every aspect of the difficulty.

**Mr Willi Müller.** — (*D*) I should like to take the President of the Commission up specifically on a point he mentioned, namely the right of petition. If I understood him correctly, he said that the extension of the right of petition could pose a problem. He described it as a problem. My question is as follows. Since up to now — even according to the Rules of Procedure of this Parliament — the right of petition has been restricted to matters concerning Community law and the Community, if one wishes to go beyond this, is the European Court of Justice, for example, competent to deal with other matters, and if not, what must be done to extend the rights of the Court of Justice so that individuals will be able to do anything at all about such matters. Otherwise, the extension of the right of petition would be purely theoretical.

**Mr Jenkins.** — I think the problem in relation to the rights of individual petitioners is essentially that one Member State of the Community has not yet accepted this principle. That is a problem which

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would be only indirectly affected by what we decide here to do. There is then this difference between the right of individual petition as accepted by some Member States and what is accepted by at least one other Member State.

**Mr Sieglerschmidt.** — (D) Mr Jenkins, I should be grateful if you would tell me whether or not I am to take it from your answer that the Commission inclines to the view that a decision on the part of the Community to accede to the European Commission on Human Rights is not the only issue here, but that it will also be necessary for the contracting parties to the European Declaration of Human Rights to fulfil certain procedural and material conditions before the European Community can accede to the Convention?

**Mr Jenkins.** — The Commission has not taken a decision on the question of accession. I indicated, with suitable caution, my own personal view towards the end of the reply I gave. I believe it is shared by some of my colleagues, but we must discuss these matters, and I must also tell the House frankly that there are certain real problems involved. With regard to the question of individual Member States accepting the right of individual petition, I do not think, that that is primarily a matter for the Commission.

**President.** — Question No 14 by Mr Soury on the Commission classification of categories of wine-growing areas will not be taken, but Mr Soury will have the right to speak first in this evening's debate on this subject.

Question No 15, by Mr Nyborg:

Does the Commission intend, in connection with the negotiation of a new air transport agreement between the United Kingdom and Scandinavia to draw the attention of the British and Danish Governments to the fact that the judgment of the Court of Justice of 4 April 1974 specifies that the EEC Treaty provisions on agreements restricting competition and abuse of a dominant position in a substantial part of the common market (Articles 85 and 86) also apply to air transport?

In the event of dissatisfied private airline wanting to lodge a complaint, should they do so at the European Court of Justice or in national courts?

**Mr Burke, member of the Commission.** — Mr President, for the purposes of the regulations in preparation applying the rules of competition to shipping and aviation and of the processing of complaints reaching it, the Commission has made it clear that agreements between undertakings and abuses of dominant positions in the shipping and aviation sectors fall under Articles 85 and 86 of the Treaty and that these articles apply even where such agreements and practices are entered into by way of implementation of prior agreements between States. The Commission has not therefore felt, in the case to which the honourable member refers, that it needs to remind the two Member States concerned more specifically of their Community obligations in respect of the rules of

competition. In reply to the second part of the question, I would observe that the Treaty does not provide for direct suit to the Community Court of Justice in the case the honourable Member speaks of. It is, however, open to the airlines not only to complain to the Commission, but also to cite Articles 85 and 86 of the EEC Treaty in the national courts in any action between private litigants, or between private litigants and a Member State as the case may be. The national courts may then apply to the Court of Justice for a preliminary ruling under Article 117 of the EEC Treaty.

**Mr Nyborg.** — (DK) I should like to thank Mr Burke for the answer he has given us, but I had nevertheless hoped for more clarity, since the question I put to the Commission is not a simply theoretical one. As we all know, private airlines are getting into difficulties in the negotiations between the United Kingdom and Denmark on an air transport agreement. For this reason, I should like to ask Mr Burke, as a supplementary question, whether or not he thinks that there is any point whatsoever in the private airlines involved appealing to the Commission, and will the Commission first of all promise to look into these possible complaints very seriously and, if necessary, go into the matter further?

**Mr Burke.** — I would say that since the aviation sector is a very regimented one, the Commission has felt that it must base its draft regulation on full particulars of their airlines' and the governments' respective roles, especially in ratemaking. I would like to point out to the honourable member that we have, in fact, sent a questionnaire to Member States in this connection. When the results have been evaluated, a draft regulation will be prepared at the earliest possible date. As a distinguished member of the Committee on Regional Policy, Regional Planning and Transport, the honourable member will realize that we are working here from the general provisions of the Treaty; we have not as yet got our regulation in place. He will understand how much more difficult this makes the situation for us in the Commission.

**Mrs Dunwoody.** — I wonder if the Commissioner could tell us if it has ever crossed the minds of the Commission that there are some areas where they really not only have very little standing, but it is exceedingly meddlesome for them to interfere. It is not in the consumer's interest to have national airlines faced with even more difficulties from authorities that really have no standing in the matter, when they are negotiating either routes or fares. There are enough problems in the aviation sector without the Commission putting its sticky little fingers in.

**Mr Burke.** — I would have to disagree with the honourable member in regard to the question she has put to me. In fact I would have thought that the reason that the matter is coming before the Commis-

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sion is because of the concern of certain airlines to provide a greater range of services to consumers in relation to a particular service between a country well-known to her and another one well — known to the questioner.

**President.** — Question No 16, by Mr Brown :

In view of the acute pressure on hotel accommodation in and transport facilities to Strasbourg and Luxembourg will the Commission initiate an independent study of the infrastructure requirements of any city seeking to provide a meeting place for the elected European Parliament, taking into account its increased membership and staff, the necessity of satisfying the expected growth of press and public interest in its activities, and the further consequences of the enlargement of the Community?

**Mr Jenkins.** — Although, of course, I have sympathy with the problems of honourable members, I do not believe it would be for us to initiate such a study, as the issues raised in this question are not the responsibility of the Commission and, in addition, are not, in my view, wholly susceptible to solution by objective study.

*(Laughter)*

**Mr Brown.** — I am not quite sure that the President of the Commission has drawn the correct conclusion and I put this other question to him. How can the members of this House or the Council of Ministers decide which is the most appropriate and most efficient place and the place most effective for the dispatch of the work of this House, if it has not the necessary criteria before it? And what better criteria can you have than whether there will be sufficient hotel accommodation, transport facilities and opportunities for the press and publicity media to make their reports? I do not really understand how he expects any intelligent decision to be taken if, in fact, sufficient information is not available.

**Mr Jenkins.** — As I indicated, I have sympathy for the problems of my honourable friend and of other honourable Members. As he knows, on the question of the decision-making procedure, the seat of the institutions is fixed by a decision of the governments of the Member States. The present arrangement results mainly from the decision of 1965. Accordingly, this matter is not strictly within the competence of the Commission. On the question of an objective study, I am not sure. I find it difficult to think of few capitals which have been chosen in exactly this way. I am not sure, for instance, that if an objective study of methods of communication, hotel accommodation or even climate had been applied, that Washington would ever have emerged as the federal capital of the United States, and indeed I think that at the present time if one were to do an objective study on the basis of hotel accommodation and frequency of air traffic services in the United States, the result would clearly be to move the capital from Washington to Chicago. But whether, in view of the state of congestion at

O'Hare Airport, that would be a benefit, apart from other considerations, I'm not quite sure.

*(Laughter)*

**Mr Fletcher-Cooke.** — Of course, we accept that this is not within the competence of the Commission, but nevertheless would the President not accept that this assembly has today been in a state of great frustration both in the morning's debate and in the afternoon's debate, through no fault either of the Commission or of the Council, but entirely owing to the fact that we are 500 miles away from the Commission and from the normal meeting place of the Council. It is impossible for us to arrange our business unless we are in the same place as that in which the Commission and the Council habitually sit.

**Mr Jenkins.** — Mr President, I know of course what my honourable friend says, as no doubt will the House and all those others concerned still more closely than the Commission is. I can only repeat what I said in my original answer. I have sympathy for the problems of honourable Members, but equally I can assure him and the House that my respect for this House is such that I am always prepared to come and meet it at its part-session whether it be 150 or 400 miles from the principal, even if provisional, seat of Community institutions.

**Mr Forni.** — *(F)* One has the impression that the European Parliament is a little like a bird flying over a wood in search of a place to build its nest.

Does not the Commissioner feel that the answer he has just given on behalf of the Commission is a little irresponsible in view of the investments made by certain cities, notably Strasbourg and Luxembourg? Would it not be a good idea if all the European Institutions were involved in the process of deciding on the site for the meeting place of the future directly elected European Parliament?

**Mr Jenkins.** — Answers by the Commission are never irresponsible, but let me say quite firmly that it is not for the Commission to attempt to decide where the Parliament should meet. The Member States have clearly a power of decision. Parliament itself seems to me to have a great role, and I am bound to say, as I have been subjected to many questions on this point, that whenever I venture, on behalf of the Commission, to make a suggestion as to how Parliament might perhaps reorganize its business in a minor way so that one could concentrate questions and ensure that relevant Commissioners might be present, I always find Parliament most resistant to make a move. And if one has this degree of caution about suggesting minor amendments about how Parliamentary business, the time-table, should be conducted I cannot understand why Parliament thinks I should decide where it should sit.

*(Laughter)*

**Lord St. Oswald.** — Would it be correct for me to read between the lines of the President's reply that in fact the Commission on its own behalf has never at any point contemplated moving away from Brussels, a fact which would quite responsibly and effectively influence the decisions of Parliament on its own place of abode.

**Mr Jenkins.** — The noble Lord will be aware that on the bottom of our writing-paper we still have 'adresse provisoire : 200 Rue de la Loi, Bruxelles'. But he will also be aware of an old motto so hackneyed that I cannot bear to repeat it even in this House. Therefore I do not think I can say more than that the provisional seat is Brussels and that we have no proposals for moving from Brussels.

**President.** — Question No 17, by Sir Brandon Rhys Williams :

Has the Commission now completed its end-year review of the continuing existence of United Kingdom exchange controls on capital movements and will the Commission make a recommendation to the British Government ?

**Mr Ortoli, Vice-President of the Commission.** — (F) Mr President, by its Decision on 22 December 1977, the Commission authorized the United Kingdom to maintain certain temporary exchange controls on capital movements as referred to in Article 124 of the Treaty of Accession.

In accordance with Article 4 of this Decision, the Commission would keep under close review the development of the economic situation in the United Kingdom and investigate the situation and the effects of the measures authorized not later than 31 December 1978. To this end, the United Kingdom and the relevant departments of the Commission have begun work on an investigation of this kind, and only after this work has been completed will the Commission be able to state its views on the partial or total maintenance of these restrictions and decide whether or not a new recommendation on economic policy should be addressed to the United Kingdom Government.

**Sir Brandon Rhys Williams.** — Would the Commission set its face firmly against countries continuing, from year to year, with an apparatus of controls over capital movements? Because where they are ineffective they are obviously superfluous, but where they are effective these controls are damaging to the best interests of the Community by creating artificial conditions and distortions which hamper trade and investment and prevent Member States from obtaining the full benefit of membership?

**Mr Ortoli.** — (F) The situation is clear. We are gradually phasing out any unnecessary obstacles to capital movements. The investigation we are to carry out under an article of the Treaty which provides for the maintenance of restrictions of this kind will show us where we stand and what we should do.

**President.** — Question No 18, by Mrs Squarcialupi, will not be taken, since we have already had a debate on this subject.

Question No 19, by Mr Dalyell :

What steps has the Commission taken to initiate a study on the grey seal in the North Sea ?

**Mr Burke, Member of the Commission.** — Mr President, the biological situation of seal stocks in Europe is being examined by competent services of the Commission, with the help of national experts. This examination should lead to the elaboration of the terms of reference for a study to be worked out by the competent international scientific organization which would *inter alia* include the assessment of the grey seal populations and their interrelationships with other species.

**Mr Dalyell.** When can we expect the result ?

**Mr Burke.** — The organization competent to deal with this matter is the International Council for the Exploration of the Sea (ICES). We are asking that body to make this study for the reason that such problems involving third countries — in this case Norway — are usually examined by that body which is the most competent where scientific questions relating to fisheries management are concerned. May I also point out to the House that as recently as Monday we in the Commission invited a Dutch expert, in collaboration with experts of other institutes, to elaborate the terms of reference which could be proposed to a working group. In this regard I would like to say that the Commission follows all these matters very carefully and I would hope that the matters could be taken up in the not too distant future.

The terms of reference for the study will cover the situation of the grey seal stock in question, the effects of this seal stock on stocks of protected fish and the activities of fishermen and the effects of any measures which might be taken. And in answer specifically to the honourable Member's question, it is hoped that the results will be available sometime in the earlier part of next year. Though that is only a rough guess where the timing is concerned.



**President.** — Question No 20, by Lord Murray of Gravesend :

Is the Commission aware that many Community citizens are not aware of their social security and health benefit rights when in other Member States, nor of the ways and means of availing themselves of these rights ; and will it immediately establish an information campaign to make people aware of these rights, and how they can avail themselves of them ?

**Mr Burke, Member of the Commission.** — Every year between May and June the appropriate departments of the Commission publish a notice reminding holidaymakers that before their departure they should ask their sickness fund for a specific Community form which will entitle them to health care if they fall sick in another Member State. Further, among the guides to social security published by the Commission and widely distributed in the Member States there is a special guide intended for persons on short visits such as holidays, visits to families, business trips to other member countries. The services of the Commission will examine if there is a need to add to this information a guide on the legislation which might be relevant for migrant workers.

**Lord Murray of Gravesend.** — While I appreciate what the Commissioner had to say I would like to ask whether it would not be possible to ensure that travel agents have a number of documents available for holidaymakers and people travelling throughout the Community ? Furthermore, in many of the Member States we have the situation where, as you cross the border or move from one point to another you receive customs forms giving you customs information and duty information. Could not a document giving the necessary information also be made available ? I raise this question purely because it was put to me by the Gravesend Senior Citizens Federation who complained that one of their members had been abroad and found it very difficult to ascertain, not his rights, but where he could get medical attention. I wondered whether in fact we are giving enough information and whether the Commission would like to think about this again.

**Mr Burke.** — We will certainly take note of what Lord Murray has said. I am bound to point out though that one of the requests made not only in this House but generally in the Community is that we should try to cut down border formalities as much as possible. In reply to the specific suggestion that these forms should be available at border crossings, we think that the information generally available is sufficient but I do welcome the fact that the honourable Member's question draws further attention to the general availability of these forms in the Community.

**Sir Brandon Rhys Williams.** — Should it not be the Commission's ultimate objective to create a Europe of the citizens in which every citizen's basic social security rights are the same whatever their country of origin and whatever country they happen to be living or working in, so that, instead of these frontier obstacles and anomalies, we have genuinely equal rights as citizens of the Community ?

**Mr Burke.** — The answer is yes. I agree with the honourable Member's point of view.

**Mrs Ewing.** — Does the Commission not feel that it would be a very simple way of disseminating this very vital information before people go on holiday for all the public offices in the Member States — I am thinking particularly of the usefulness of the Post Office in the United Kingdom — to make it part of their obligation to have the forms readily available. I can assure the Commission that some of my constituents have been in the unfortunate position of losing out on this because they did not know of their rights ?

Could I also ask the Commission to comment on the position of the self-employed and to state whether there is any change in that yet ?

**Mr Burke.** — In reply to the general point about the availability of the documents in buildings owned by public authorities. I think that the suggestion is better addressed to the authorities of the Member States.

With regard to the second point raised by the honourable Member, since I do not usually deal with that portfolio I shall have the information sent to her by way of letter.

**Mr Howell.** — I would like to support my colleague, Sir Brandon Rhys Williams, in his request for harmonization on this matter and hope that the Commission will act urgently in dealing with it. I also wish to support the idea of help for all citizens. Can the Commissioner tell me if I am correct in my belief that any citizen from any other Member State who visits the United Kingdom is entitled to full medical aid, etc., whereas self-employed persons from the United Kingdom visiting certain other Member States are denied that help ?

**Mr Burke.** — I understand that the position is as outlined in the supplementary question.

**President.** — The third part of Question Time is closed.

<sup>1</sup> See Annex.

## 9. Votes

**President.** — The next item is the votes on those motions for resolutions on which the debate is closed.

We shall begin with the motion for a resolution contained in the *Power Report* (Doc. 410/78): Aspects of education in the European Community.

I call Mr Halvgaard on a point of order.

**Mr Halvgaard.** — (DK) Mr President, the way in which the education debate was conducted yesterday evening meant that, because of the restriction on speaking time, the discussion was so brief that this important subject and Mr Power's report were not given the serious and detailed consideration they merit. I therefore ask for the report to be referred back to the committee responsible, so that it can be put on the agenda again and we can have a satisfactory debate on this important subject.

**President.** — It has been proposed that this report be sent back to the committee. Could the rapporteur give us his advice on this?

**Mr Power, rapporteur.** — Mr President, it would be presumptuous of me to give an opinion as to whether my report was properly discussed or not. However I am aware that people who were anxious to speak here last night, at a late hour admittedly, and who would normally have been entitled to fourteen minutes speaking-time, were confined to four minutes by the President. I would leave it to the House to decide whether or not it should be referred back to the committee. I shall abide by their decision.

**President.** — I call Mr Ellis on a point of order.

**Mr Ellis.** — For the sake of clarification, Mr President; I am not quite sure what this proposal means in precise terms. I understand — and I may very well be wrong in this — that when something is referred back to its parent committee, the implication is that the report concerned has not met with the general favour and acceptance of the House that the committee is, as it were, being asked to look at the matter again. Well now, I understood from the original proposal that the report should be referred back, that the speaker was concerned that the House rather than a committee had not had enough time to debate that item would I be right in assuming that referral back to committee would not be in line with the proposer's wishes and that in effect he was proposing something entirely different. It is very important to get this quite clear before voting on the matter.

**President.** — It is a simple proposition, that the report be sent back to the committee. Implications of

one sort or another are bound to be read into it, but you have heard the statement of those who favour its being referred to the committee.

I call Mr Klepsch.

**Mr Klepsch.** — (D) I should like to speak against the proposal for reasons of principle. I feel that we would be introducing a completely new criterion for referral back to committee if we were to decide to refer Mr Power's report back to the committee for this reason. The House decides freely on the allocation of speaking time. If it decided yesterday to limit speaking time, it is not now up to us to correct that and to say that we want another debate on the subject. That can happen when the committee presents a new report. The House decided to deal with this report in this way, and we have no objections to the report. I therefore think that we can adopt it.

**President.** — I put to the vote the proposal that this report be referred to committee.

The proposal is rejected.

I therefore put the motion for a resolution to the vote.

The resolution is adopted.<sup>1</sup>

**President.** — I put to the vote the interim motion for a resolution contained in the *Jung report* (Doc. 429/78): *Activities of certain third countries in the field of cargo shipping*.

The resolution is adopted.<sup>1</sup>

**President.** — I put to the vote the motion for a resolution contained in the *Liogier report* (Doc. 352/78): *Tinned pineapples*.

The resolution is adopted.<sup>1</sup>

**President.** — We now come to the *Inchauspé report* (Doc. 405/78): *Temporary Importation Arrangements*.

Before considering the motion for a resolution we must first vote on the amendment to the proposal for a regulation. On Article 24, I have Amendment No 1, tabled by Mr Kaspereit on behalf of the Group of European Progressive Democrats and rewording paragraph 1 as follows:

1. Partial payment under Article 23 shall be effected by the application of import duties on the stated amount of the hire contract established under fully competitive conditions; this amount may be checked according to the rules on valuation for customs purposes applicable on the date on which the authorities accept the entry for temporary importation.

What is the rapporteur's view?

<sup>1</sup> OJ C 296 of 11. 12. 1978.

**Mr Inschauspé, rapporteur.** — (F) Mr President, we already spoke about this at great length this morning with a view to greater efficiency. As you know, two systems for temporary importation are proposed: one for total relief from the payment of duties and the other for partial relief.

The motion for a resolution mentions a duty of 3 % on imports; Mr Kaspereit proposes that these duties should be calculated on the basis of the stated amount of the hire contract, since these goods are not sold but are simply the subject of a hire contract.

I am therefore in favour of this amendment; it would bring us much closer to the actual state of affairs than with the other system which might leave the way open to fraud.

**President.** I put Amendment No 1 to the vote.

Amendment No 1 is adopted.

I put the motion for a resolution to the vote. The resolution is adopted.<sup>1</sup>

**President.** — I put to the vote the motion for a resolution contained in the *Albertini report* (Doc. 432/78): *Trade in oils and fats between the Community and Greece.*

The resolution is adopted.<sup>1</sup>

**President.** — I put to the vote the motion for a resolution contained in the *Howell report* (Doc. 412/78): *Aid for degerming maize.*

The resolution is adopted.<sup>1</sup>

## 10. Economic and monetary policy

**President.** — The next item is a joint debate on:

- Report by Lord Ardwick, on behalf of the Committee on Economic and Monetary Affairs, on the revival of economic and monetary union (Doc. 437/78);
- Report by Mr Pisani, on behalf of the Committee on Economic and Monetary Affairs, on the proposal from the Commission to the Council for a regulation establishing a European Monetary System (Doc. 448/78);
- Report by Mr Stetter, on behalf on Economic and Monetary Affairs, on the proposal from the Commission to the Council for a decision adopting the annual report on the economic situation in the Community and laying down the economic policy guidelines for 1979 (Doc. 434/78).

I call Lord Ardwick.

**Lord Ardwick, rapporteur.** — Mr President, I hate to begin this debate on a sour note, but I am quite sure that I am speaking for many members of this House in regretting the ineptitude of the Bureau in choosing for this important debate about the worst hour of the worst day. It is all the more galling, since it was clearly foreseeable yesterday that the debate this morning was going to collapse at 11.30 a.m. We could have had a very good debate with the President of the Commission present, as well as Mr Ortoli.

(Applause)

Now, Mr President, this is not simply a debate about the European Monetary System. It is about that system in the much broader context of EMU, and I hope that the debate will range broadly, and over matters of principle, since we have today few more details before us on EMS than were, contained in the original Bremen communiqué six months ago. It may seem strange that this debate should be opened by a British Socialist. There is a great deal of scepticism right throughout Europe about the feasibility of EMS, but I am afraid that nowhere is the scepticism greater than it is in Britain, and in Britain, I am sorry to say, the scepticism seems to be greatest in my own party, though not, I may add, in the most senior members of the Government. Mr President, I do not share the scepticism, and I still find grounds for hope that in spite of grave political difficulties, and of economic difficulties of timing, Britain will in the end participate. Both the Prime Minister and the Chancellor of the Exchequer have said in clear terms that they want to see a zone of stability established. Only last week, Mr Callaghan said that he wished to see a durable scheme that would not force some countries unnecessarily into deflationary policies or others into high levels of inflation. The resolution before us today, Mr President, is very much in accord with those sentiments. Mr Healey said too that if we in the Community are able to create a zone of greater monetary stability among ourselves in Europe, we should make an important contribution to the wider international monetary order at which he aimed. So I take some heart from their speeches.

Mr President, the proposals at Bremen did not come suddenly out of the blue. The spark to reignite the members of EMU was struck by Messrs Schmidt and Giscard in the spring of last year, in 1977. Then in the autumn we had Mr Jenkins' lecture in Florence, and he said then that the subject of the EMU was immobilized in scepticism. Today, thanks to his efforts and those of his colleagues in the Commission, it is moving forward again, if not yet in faith at least in hope.

<sup>1</sup> OJ C 296 of 11. 12. 1978.

## Lord Ardwick

When EMU was originally proposed, the six member nations of the Community enjoyed growth rates and inflation rates which were not widely apart, and all of them were habituated to the disciplines of the Bretton Woods system. So the idea of moving forward over a decade to immutably fixed currencies, virtually the same thing as a single currency, seemed to be neither impractical nor Utopian. EMU was seen as a step on the road to political union, not just a thing in itself. It was an ideological commitment, and its primary aim was political, not economic. As the resolution points out, the impetus towards EMU faded as the world monetary crisis, capped by the oil crisis, fragmented the snake and sapped political will. The power of Mr Jenkins' argument was that he presented the need to revive EMU as a practical and not as an ideological one — a need to cope with the very economic ills that had extinguished it. 'We must now look afresh', he said, 'at the case for monetary union, because there are *new* arguments, *new* needs, and *new* approaches to be assessed, which go to the heart of our present intractable problems of unemployment, inflation, and international financing'.

And he put forward seven arguments in support of his case, including the opportunity of tackling inflation at its root and of finding a new impulse on an historic scale to restore full employment. Of course he did not conceal, Mr President, that monetary union of this kind would imply change of enormous political import; a major new European authority to manage the exchange rate, to hold the external reserves and lay down the main lines of international monetary policy. These powers are now held by sovereign member nations, but then they would be handed over to the Community, and it would be as big a step for the present generation of European leaders as it was for the last generation of leaders to create the original Community. Now I know a lot of people flee from the word, but I would describe this as a federal system that is envisaged, though only a skeletal federal system.

Of course it is very far removed from EMS, and the resolution calls attention in paragraph 9 to the gulf between the two, because too many people are confusing EMS, which is immediately practical, with EMU, which is a goal for the distant future. Of course we are not going to glide into EMU. The creation of this central monetary authority would require constitutional change in every country in the Community. It would require the wholehearted consent of every major political party.

Mr Jenkins accepted the fact that we cannot go to that goal in one enormous move. We must evolve towards it, and evolution is a process that goes both gradually and in jumps. He shares the view of Mr Werner, Mr Marjolin and all the others who have thought seriously about the subject as to the need to

establish a pre-union stage as the platform from which the final qualitative leap to a single currency might be made. The need for clarity about the deep implications of EMU is stressed in the resolution, which reaffirms in paragraphs 2, 3 and 4 this Parliament's commitment to that goal. My report quotes the judgement of the Marjolin Committee that among the causes of failure of EMU was not only a lack of political will, but of understanding what it really meant.

'At government level', he said, 'there was no analysis ... of the conditions to be fulfilled. It was just as if the governments had undertaken the enterprise in the naive belief that it was sufficient to decree the formation of an EMU for this to come about without great effort or difficult and painful economic and political transformations.'

But to come back, Mr President, to this preunion stage with which we are now concerned, or the transitory phase as it is called in the resolution, it was defined when the Commission, last December, presented to the European Council a five-year programme of action with a view to eventual economic and monetary union. I am speaking of the programme presented by Vice-President Ortoli, a practical first stage to Mr Jenkins' long-term aspiration. Mr Jenkins points to the glittering prize at the end of the road, and Mr Ortoli prescribes how the first set of obstacles must be overcome. The programme was very largely echoed and sometimes further developed by the comprehensive resolution which Mr Müller-Hermann and his colleagues of the Christian-Democratic Group brought to this Parliament. The report presents their resolution and they have jointly inspired the Committee's resolution which is now before you.

The first aim, it is made clear, is to secure lasting convergence among the economies of the Member States. This implies countering inflation, getting greater stability in external balances and exchange rates, and returning to sustained growth to improve employment. Convergence does not imply that national policies must be identical or that performances must be equal. What it does imply is that Member States should agree on priorities, and the first priority in today's conditions should be given to countering inflation. Does anybody really disagree with that?

The Commission goes further. It regards coordinating short-term economic policies as a step towards that fuller control of demand which is needed if we are to expand without danger, and this effort must be based on the extension of the present machinery of coordination in budgetary, monetary and exchange rate areas. Forgive me for going into this detail, but we have not yet discussed this report, which was written last December. There is need, too, it says, for an industrial policy, a strategy of sectoral change to maintain the

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competitiveness of European industries. There is need, too, to foster the growth industries, energy, telecommunications, data processing, electronics and aircraft, upon which our prosperity may depend in a world of increasing industrial sophistication. And I am very glad that in the amendment which the Christian Democrats have tabled to paragraph 6 — an amendment which I may say is wholly acceptable — they have included that particular point in it. The Community, too, should reduce the imbalances of member sections by increasing its regional, social, industrial and energy policies.

Requirements of this kind would be far below those required in a federal state. But warning is given that no progress can be made towards EMU without transferring larger resources to the Community. Then it comes to currencies. The first objective must be to integrate them within a single Community mechanism adapted to the capacity of each economy. And the rules of conduct should require that those countries outside the snake should conduct their exchange rate policies compatibly. Those countries with the greatest difficulties should be supported in order to dissuade them from falling back onto independent remedies. A wise provision.

So here, Mr President, was a basis for joint progress to be made towards economic convergence and to currency stability, both to fulfil immediate needs and to make progress towards EMU. When it was learned at Copenhagen that a scheme was to be proposed at Bremen, at the next Council meeting, for a European Monetary System, we were all convinced, I think, that the joint economic and monetary programme proposed by the Commission was about to be brought forward in time and stiffened in resolution. Mr Jenkins had ploughed the field. Mr Ortoli had scattered the good seed on the land. Now the European Council was reaping the harvest, although perhaps the corn was still green.

Anyway, we rejoiced. Yet the words of the Bremen communiqué were disappointing. What might have had a touch of Gettysburg or Periclean inspiration about it, read like something that had been scribbled on the back of an envelope by a weary bureaucrat. The vital reference to concurrent economic studies appeared to be an afterthought, so perfunctory was its wording. Small wonder that the business world, the world of the moneychangers, and many suspicious politicians as well, regarded Bremen simply as a way of enticing the old drop-outs, France, Britain and Italy, back into the snake, the bait being simply a larger pool of reserves to enable threatened currencies to battle it out with the speculators. I think that many of us in this Parliament hope that they were wrong, still hope that they are wrong, and that what is proposed is not just an instrument to cope with the consequences of the delinquent dollar, but has an

organic link with the Commission's five-year programme. If not, it may well be doomed, because the closer the convergence, the fewer realignments of parities would be needed, the greater the stability. And the opposite is true: increasing divergence is death to stability.

Yet the advent of EMS is to be welcomed, because for once something has happened in Europe that has not happened for a long time. Political will has asserted itself over the timorous technicians of monetary and economic affairs. Everywhere in Europe the technicians are dubious, and those who serve in central banks or finance ministries are all the more so, since their masters fear the loss of their magisterial authority to a new monetary fund. Everywhere, and not only in Britain I think, there are incongruous sets of allies engaged in a propaganda war against EMS even before the final shape of it is known. Nothing like it has been seen since the Flood. Left-wing socialists march together with right-wing conservatives, as does the ancient order of unreconstructed Keynesians with the latter-day Friedmanite mystic.

And there has developed a folk wisdom of the financial world, which like all folk wisdom depends upon the dogmatic assertion of half-truths. It is held, for example, that EMS cannot be maintained by countries with different inflation rates or that the currency speculators will always win if you have a fixed but adjustable peg as is now proposed. Or that such a system must nourish economies which are reluctant for reasons of mere prestige to change their parity when there is a real economic necessity. The assumption of this so-called folk wisdom is that we have learned nothing from the past and we have forgotten every bitter lesson we have learned in the last 8 or 9 years. Of course, it is certainly true that if exchange rates were diverging wildly, as they were a year or two ago in Europe, EMS would face catastrophe. This was, however, an exceptional period which had begun in 1971 with the great dollar crisis, stimulated by the Vietnam war, and then the turbulence was carried forward by the rise in commodity prices, then by oil prices and eventually encouraged by floating rates of exchange. That world is, I think, fading away. It is passing by. It belongs to the first half of the decade. The dollar is no longer being neglected. It is being tenderly nursed and throughout Western Europe all countries are pursuing counter-inflationary policies, with some success, and are longing for stability. So are the voters. Any party that wants to win votes makes keeping prices down a priority. And that is possible today, because we realize that price inflation is not in today's circumstances the creator of jobs, but destroys jobs by the deflationary effect that it has on demand.

We all understand better today than we did in 1972 the links between currency depreciation, the increase of money supply, and inflation. As Mr Healey said last week, 'the recent stability of sterling has contributed

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to the success of Britain's counter-inflation policy and has reflected it. We aim to maintain the stability in our exchange rate whether or not we join the European Monetary System'. Very different indeed from the spirit of 1972, when another government, beset by massive national strikes, created, for humane as well as for electoral reasons, a massive increase in the money supply when faced with what in those days was the unacceptable future of one million unemployed. Britain then fell not only out of the snake, but out of the tunnel as well. It could not, or would not, keep even within the wider Smithsonian limits. So we should have floated even if we had never heard of the snake. It was in fact the end of an era for Britain, the end — except for a few old faithfuls — of the sterling area.

Mr President, the past, as I have outlined it, may warn us about the risks, but it does not predict the future. Forgive me if I quote Mr Healey again. He has stated a truth which everybody has now learned from bitter experience, and that is when you intervene to rescue a currency which is getting out of line. 'Intervention', he says, 'is worse than useless if the underlying conditions are not right'. I myself add that the need for reserves is when a rational growth policy is being attempted or when a calculated disruptive attack is being made on an economy that is fundamentally sound but is temporarily out of balance and needs some little time to recover its equilibrium. We must, however, realize that there are really serious problems about maintaining fixed rates, and so far in this scheme we have no information, really, about how they are to be dealt with. The only information we have had is the range of technical options that are available.

We are living in a strange period when the European nations are in a process of diplomatic negotiations on the basis of a rather arcane technical conference. Views that are being attributed to ministers, to bankers and to officials in the media today are not eternal truths: they are part of the diplomatic struggle. We must not take them as finalities. Everything is still in flux. We cannot yet pronounce on EMS. All we can do is to say today what we think EMS should do or should be. The resolution lays down what the Committee on Economic and Monetary Affairs considers to be the desiderata of the system. Above all it should not be deflationary but it should be on the side of growth and high employment. It should be supported by compatible economic performances of members of the system.

There will still be need, for some redirection of the flow of resources within the Community. If I may put on a national hat for a moment, as far as Britain is concerned, we must start, I would have thought, by asking for a less perverse transfer of resources than now appears to exist. I understand, however, that the

Commission is looking to ways of adjusting this. We are are paying about 1 000 million EUA into the Community this year, and we shall pay a lot more next year, whereas more prosperous nations are paying less. Perhaps the revision of this might be the beginning of something.

Now we can only ask questions, too, at this moment which we know cannot yet receive a specific answer. What is it thought that the parities should be at the opening of the scheme? How is it possible to avoid heavy interventions which inflate the money supply in strong countries and cause a loss of reserves in weak ones? What is the role of the ECU to be. Is it really to have the central position promised in the Bremen communiqué, and if so what does central position mean? Does it mean, as the Belgians seem to have suggested, that each currency should be related not only to each other currency but also to the ECU so that it becomes very clear when two currencies diverge what degree of responsibility for deviance each one of them bears?

What are the conditions going to be for the use of reserves? How much weight will an individual nation have when it lets its partners know that it will have to revalue? Will the ECU issued against a nation's own currencies have the same versatility as those issued against dollars, or will they be limited? What will be the techniques and criteria used in consultations before a parity change is agreed? What is the role envisaged for the EMF? Should not an enhanced role for the EIB be worked out alongside the plans for the EMF? But above all, Mr President, we are waiting to know with some anxiety what is the joint relationship of the currencies in EMS to be with the dollar?

Well these, Mr President, are the questions in our mind, plus one more. What has happened to the concurrent studies promised at Bremen on how weaker countries can be assisted to stay in the system? What have they actually produced by way of remedy? When are we going to know that? I hope that in his reply that Vice-President Ortoli will be able to tell us whether his five-year programme has been cast aside, to make what progress it can in its own right, or whether it is to be an essential part of the proposed monetary system. If Mr Ortoli is too modest or inhibited from replying, perhaps the President-in-Office would give me the answer to that question.

Some of the questions I have put may be a bit sophisticated. Can I just rephrase in the words of the ordinary non-expert politician, such as most of us are, including myself, and the ordinary citizen desperately trying to sort out what EMS means. Is there a danger that nations which get into trouble will too often have to deflate and back production to keep their currency in line, or will they, when there is no acceptable economic remedy, be free to devalue at the right time

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by the right amount? I hope that somebody is taking note of these questions because these are very much the questions which all the citizens of Europe, not just my country are waiting to hear. Does it mean that if there is a choice between currency stability and unemployment, stability must always come first and unemployment must come second? Have the difficulties that face a system comprising nations with such different existing inflation rates really been taken into account? Have the difficulties which burst the snake asunder really been studied and has provision really been made to avoid repetition?

EMS, if it is to be what our committee hopes it will be, should enable the weaker Members to take longer views of the policies they have to pursue in order to obtain prosperous stability. The support given by EMS should ensure that parity changes arising from differential performances should reflect their real situations more accurately than the present arrangements both in their timing and in their extent.

The resolution, Mr President, is not my personal resolution, it is the work of the committee. It owes much to colleagues of different nationalities and parties. Our discussions were sometimes passionate, not because there was any wide difference of principle among most of us, but because of the difficulties that men who agree on principles have about forms of words. There are no disputes so bitter as semantic disputes. I have only one doubt about the resolution; it ties EMS too closely to EMU. EMS is certainly a stepping stone on the road to EMU. But there is nothing in it to compel the Community ever to go beyond that stage. EMU is immensely different, as paragraph 9 of the resolution makes clear.

We must recognize, as I am afraid this resolution fails to do, that there are many good Europeans who want a much more closely integrated Community but who shrink from the idea of finally ceding national sovereignty. They need not despair. Next month we shall have EMS, I hope, and EMS alone before us. I hope we can make a decision on it as a thing in itself, as an urgent need of our time neither as a stepping stone to EMU nor as a substitute for it. Let us consider it on its own. I myself, in spite of all my hopes, reserve the right next month not to support if it falls badly below the expectations of the resolution.

Mr President, all kinds of expedient motives have been attributed to the authors of EMS. Obviously it is expedient and convenient. But we must look at it more broadly, I think, and less cynically.

To come back to Mr Jenkins. He pointed out in Florence that this Community has three functions. It stands as a viable political entity for dealing with a wide range of external relations. It stands too for a certain type of democratic and political society within Europe, which is why it has attracted the new applicants. And it is there to provide an essential economic

mechanism. It is in the third of these functions that the Community is weakest, and Mr Jenkins believes, as I think most of us do, that if these central economic weaknesses continue unremedied they will not allow our external cohesion to grow and they will perhaps not even allow it to be maintained. The primary reason that each nation is in the Community is a political one. We should all feel naked if we had to confront the world more or less alone as unrelated nation states. We must all dread the threat to democracy in any nation state which allowed inflation and its consequence to get out of hand. Thus the economic cohesion of Europe is in the long run, vital to its political cohesion. We are all conscious of this and nobody more so than the main author of the proposed system, Mr Schmidt the Chancellor of that great and prosperous country, geographically placed in the most sensitive area of Western Europe.

(Applause)

## IN THE CHAIR : MR HOLST

*Vice-President*

President. I call Mr Pisani.

Mr Pisani, *rapporteur*. — (F) I should like to make two preliminary remarks. First, I share Lord Ardwick's astonishment at such an injudicious choice of day and time for a debate of such import. Furthermore, I should like to stress the undeniable advantages, but also the shortcomings, of handling three substantially different approaches to the economic and monetary issue in a joint debate. I am not convinced that this is the best way to go about things in a parliament. Second, at the moment I am taking the floor as rapporteur of the Committee on Economic and Monetary Affairs, but later I shall have occasion to speak in the general debate as spokesman for the Socialist Group.

At its meeting on 31 October, the Committee on Economic and Monetary Affairs was presented with the Council's proposal for a regulation establishing a European Monetary System and last Monday it adopted the report which I am presenting to you today.

This means that we were compelled to observe a tight schedule, and you will thus understand that what I have to say now is intended as an explanatory statement.

What is the issue involved? The European Council, meeting in Bremen on 6 and 7 July last, decided that two years after setting up the European Monetary System the existing arrangements and institutions would be merged to form the European Monetary Fund and that this Fund would be given responsibilities and means consonant with the objectives of the monetary system.

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However, establishing the Euf raises a number of problems yet to be solved, the right solution to which will come only from practical experience. In the meantime, the management of the EUS would best be handled by the EMCF set up in 1973. The purpose of the proposal for a regulation is accordingly to confer upon the EMCF the authority it needs, i.e. to empower it to receive monetary reserves deposited by the Member States and to issue ECUs.

In return, these ECUs can be used as a means of settlement between the monetary authorities of the Member States and, within certain limits, for transactions between those authorities.

The very title of the proposal and the laconic nature of the terms set out have prompted the members of the Committee on Economic and Monetary Affairs to raise several questions to which — admittedly — the Commissioner and his staff have partly replied. Nevertheless, I should like to state publicly the questions raised by various members of the Committee on Economic and Monetary Affairs.

How — if this can be established at this stage — will the EMCF's reserves be composed? Of gold, dollars, ECUs? Is this already known? What will be the final amount involved? Has a decision already been taken? Just read the press, some might say. But is it acceptable for a Parliament to obtain its information from the press and not from official communications emanating from the institutions responsible?

Thirdly, what legal provisions are to govern these reserves? Will they belong to the EMCF or will they simply be loans from the monetary authorities?

Fourthly, on what terms can the EMCF issue ECUs? Will the ECU be a European reserve currency to replace the dollar or the SDR? What about the legal basis of the proposal for a regulation, viz. Article 235 of the Treaty? And does this proposal not fall short of the Bremen guidelines? This problem was often raised, and was frequently a cause for concern. And lastly, what will happen if the Nine do not all join the system? Not knowing precisely what official replies await these questions, the Committee has refrained from giving a favourable opinion out of hand. However, the Commission, through Mr Ortoli, has pressed us for an immediate opinion, as required by Article 235 of the Treaty, which is undoubtedly necessary for procedural reasons, but also, as he explained, for political reasons. Mr Ortoli maintained that it would be deplorable if, on such an important issue, Parliament were to fail in its duties. We went along with this and rather than postpone the debate, as we were tempted to for a time, we decided to submit an opinion, for we sincerely hope that the guidelines established by the European Council in Bremen will enable a genuine European Monetary System to be set up. The critical tone of our opinion should in no way detract from two assurances: in legal and procedural

terms, it does constitute an opinion, and in political terms, it does represent agreement in principle. However, until it is better acquainted with the arrangements, this is the line which the Committee has chosen to take. Nevertheless, it wanted to make it quite clear as of now in Paragraph 5 of the motion for a resolution now before you that:

... even with its new responsibilities, the Fund cannot by itself guarantee the success of the European Monetary System or its development into economic and monetary union unless a common economic policy and converging national policies are developed by the Member States.

It is with these reservations that the Committee on Economic and Monetary Affairs has submitted Doc. 448/78 and asks you to adopt it.

(Applause)

**President.** — I call Mr Stetter.

**Mr Stetter, rapporteur.** — (DK) Mr President, by way of introduction I must make some observations of a procedural nature. The motion for a resolution tabled by the Committee on Economic and Monetary Affairs was drawn up without a thorough knowledge of the Commission's annual economic report for 1978-1979 simply because I only obtained a copy of the report after the date scheduled for submission of my own report. I therefore had to work on the basis of an oral presentation to the committee of the main parts of the annual report by Vice-President Ortoli. This is an unsatisfactory and inefficient way of working. It may be asked, Mr President, why the committee or its rapporteur find themselves in such a situation. The answer is quite simple. The alternative would have been that neither the committee nor Parliament would have had an opportunity to state its views on the economic situation of the Community and on the establishment of economic policy guidelines for 1979. However, this alternative was even more unsatisfactory, and the committee therefore decided to make the best of a bad job.

Nevertheless, it is the committee's view that the annual report has come too late to be of any real value. The national budgets in the Member States were drafted long ago, and it is the national budgets which have an essential influence on money supply, incomes and expenditure, all of which are elements in the battle against inflation and unemployment.

For these reasons, Mr President, the committee criticizes the Commission's procrastination both in the preamble and in the four last paragraphs of the motion for a resolution. It is unsatisfactory for all the parties involved, including the Commission, that year after year we are obliged to work under tremendous pressure to draw up a report and hold a debate which can only be of formal and theoretical value.

When the present President of the Commission, Mr Jenkins, took office in January 1977 he said that the



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new Commission would treat Parliament as if it had already been directly elected. Unfortunately, it is clear that this promise has not been kept in the present case. In paragraph 18 of the motion for a resolution, therefore, the committee calls on the Council and the Commission to alter their working methods and procedures in such a way that the directly elected Parliament can work under reasonable conditions in 1979. On behalf of the committee I should like to urge Mr Ortoli to ensure that representatives of the Commission and Parliament are given an opportunity to discuss a different and more effective method of working.

This year it was more than ever desirable that the Commission's proposals on the laying down of economic policy guidelines for 1979 should have been available in good time since we appear to be on the threshold of the creation of a new European Monetary System. The Commission's annual report states plainly that many Member States still need to make a serious effort to keep the rises in spending and prices within limits which will permit the new monetary system to function. In this the committee agrees with the Commission and says as much in the first three paragraphs of its motion for a resolution. It is widely acknowledged that the differences in the rate of inflation in the various participating States will have to be sharply reduced if the system is to be viable. This cannot be stressed often enough, and both Parliament and Commission must urge the Member States which are weakest in this respect to intensify their efforts to combat inflation.

However, Mr President, the increase in consumer prices in the Community as a whole is also unsatisfactory.

I notice that in its annual report the Commission expects a break in the downward trend of the rate of inflation which has characterized the last four years. Expressed as an increase in consumer prices, inflation was 12.8 % in 1975, 10 % in 1976, 9.1 % in 1977, and in all probability will be 6.9 % in 1978, which is now coming to a close. In other words, the period 1975-78 has seen a substantial improvement, but the Commission does not expect this gratifying trend to continue. It believes that inflation next year will be running at 7 %, and this is most unfortunate and serious. A figure of 7 % is much too high in itself, and we cannot continue to expect that our peoples will accept such a rapid reduction in the value of money. Many people in our countries, are, after all, obliged to make their own provision for retirement in the form of savings or various types of pension arrangements.

Every effort must be made to ensure that the rate of inflation is reduced substantially year by year. This is also a vital element in the fight against unemployment. The annual report foresees a slight reduction

next year, but this evaluation is based on the Community as a whole. The Member States with high rates of inflation also have the highest unemployment figures, and this is probably due to the fact that the economic policies of these countries have not been and are not sufficiently aimed at specific objectives.

Moreover, these circumstances often contain the germ of another kind of obstacle to the establishment of a free and competitive market, namely national aids to industry. There is something paradoxical in the fact that we are prepared, on the one hand, to regard a new European Monetary System as a decisive weapon in the battle to overcome the present economic crisis, and on the other to accept, virtually without protest, the steady proliferation of national aid arrangements. The rules governing State aid to industry are laid down in the Treaties. If we wish to have any prospect of achieving stable economic conditions in the Community it is vitally necessary that these rules should be observed. This is every bit as necessary as constructing a new monetary system.

In the nature of things, the Commission's annual report on economic prospects must employ the broad-brush approach. The report deals with the Community's economy as a whole, and this is also true with respect to growth. In this limited sector some progress can be detected, but here too there are major discrepancies between the respective Member States. It continues to be necessary for the economically strong Member States to use their high rate of growth to boost the export possibilities of the economically weaker countries. However, the Commission's annual economic review, which is an annex to the annual report, shows that the economically strong Member States have so far not lived up to these expectations. The figures reveal that West Germany and the Netherlands showed the biggest drop in growth in the period 1973 to 1978. It is remarkable that these countries did not feel that they could afford to accept a greater share of the economic burden. But, Mr President, it is also essential that the economically weak countries should exercise self-discipline in economic matters. The governments and parliaments of these countries will most certainly have to take difficult and often uncomfortable political decisions leading to a reduced rate of inflation, and in so doing create a sound basis for increased production, exports and employment.

The annual report makes clear that a better equilibrium has been achieved on the Community's overall balance of payments, and that the Community has managed to build up a substantial surplus, and both of these facts are to be welcomed. None the less, some Member States have seen a worsening of their balance of payments. This worrying situation is unfortunately difficult to resolve since the foreign debts of the countries in question have in the meantime assumed such proportions that a substantial part of their export revenue goes simply to paying interest.

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Given the differences I have mentioned between the various Member States with respect to inflation, unemployment, growth and balances of payments it would have been preferable, in my view, if in its annual report the Commission had laid down real guidelines for the national governments. However, the committee recognizes that it is not an easy task, particularly this year, for the Commission to indicate economic guidelines for the coming year, partly because the Bremen and Bonn agreements have not yet had an effect on the economic situation, and partly because no final decisions have yet been taken on EMS.

You will be interested to know, Mr President, that the committee debated how and to what extent our motion for a resolution should also deal with the currency problem and the matter was covered both in Lord Ardwick's report on the revival of economic and monetary union and in Mr Pisani's report on the establishment of a European monetary system. The fact that the same problems are discussed in a number of motions may appear slightly confusing, but the committee was and is agreed that monetary policy is not significant only in connection with medium and long term economic policy, but is also of decisive influence as an element in economic policy on the short term.

The unstable monetary and currency conditions have meant that it is difficult to control trends in demand effectively. It has so far proved impossible, both in the traditional revaluation and the traditional devaluation countries, to achieve the increase in growth and investments which are for many reasons essential. Particularly those countries which have had repeated devaluations know how rapidly a devaluation can aggravate domestic inflation and create a climate of uncertainty and instability. Stable currency conditions are thus of vital importance for the establishment of a short-term economic policy, but the opposite is also true. The economic development in the Member States is of decisive importance for the success of the new European monetary system.

Some honourable Members may take the view that the committee has expressed itself in rather negative terms in the introductory paragraphs 1 to 3 of the motion for a resolution. I do not share this view, and these paragraphs are fully in line with the committee's approach both in the Ardwick Report and in the Pisani Report. But particularly when the short-term economic policy is at issue we must emphasize the need for greater coordination of the economic policies of the member countries. If the latter are unwilling to accept appropriate guidelines these strains which will inevitably arise in the monetary system will be such that it is unlikely to survive under the pressures from within and without. The committee considers this one of the most fundamental problems at the present time and in the future. Besides, we do not yet know with certainty what specific solution the Council will adopt for the new monetary system.

In conclusion, therefore, I should like to endorse the Commission's observation that the study of the economic situation which is scheduled to take place in the first quarter of 1979 will be of greater importance than usual. On behalf of the committee I hope that the renewed discussion of the Community's economic situation at the beginning of 1979 will show that the Commission is capable of living up to the expectations which we have of it in its role as the motor of the Community. We also hope that the Commission will be able to draw up more detailed guidelines for the short-term economic policies of the Community and the Member States, guidelines which not only reflect the policies already planned by the Member States but which make for convergence between them, and which make clear what the Member States must individually contribute if we are to reach the goal set for the Community, namely a reduction in the rate of inflation and in unemployment, and a strengthening of economic growth.

And finally, Mr President, I wish to stress the committee's expectation that the European Parliament will be listened to by the Council in connection with this adaptation of the guidelines. I invite the Members of the European Parliament to vote for this motion for a resolution, which was adopted unanimously by the Committee on Economic and Monetary Affairs, with two abstentions.

*(Applause)*

**President.** — I call Mr Wawrzik to present the opinion of the Committee on Social Affairs, Employment and Education.

**Mr Wawrzik, deputy draftsman of an opinion.** — *(D)* Mr President, ladies and gentlemen, I have the honour of making a few comments on this motion for a resolution on behalf of Mr van der Gun. It goes without saying that our Committee did not deal with the questions relating to the concept of economic and monetary union, but stuck to its terms of reference in tackling the social aspects of the enlargement and of the growth of EMU! At the same time — and I would ask you to regard the additional subjects dealt with in this motion for a resolution in this light — we also discussed the Commission's programme of action for 1978 and the motion for a resolution tabled by Mr Müller-Hermann of the Christian-Democratic Group.

The members of the Committee were unanimous in thinking that everything that happens in this field will have a direct effect on the Community's social policy, and we therefore demand that this social aspect be constantly borne in mind and given the weight it warrants. It was for this reason that we said in our opinion that the much more far-reaching alignment of the Member States' economic policy can only succeed if it is accompanied by a reduction in the regional and social disparities between the Member States. We also said that, on the basis of the documents available to us, we could not be satisfied with

Wawrzik

the prevalent view of social policy as a 'backing-up measure'. On the contrary, we are of the opinion that social policy must be given equal importance and equal priority in all policy considerations.

We also feel — and this has to do with our discussion of the other documents — that the future development of social policy must proceed on a broader legal basis than has hitherto been the case. We feel that there must be a drastic increase in the resources made available to the Community budget for this sector — and I am thinking here particularly of the European Social Fund. We also feel that there should be a fundamental extension of the European Social Fund's scope.

If you take a look at the result of the vote in the committee, you will see that the committee's opinion was not passed unanimously. The reasons for this are to be found firstly in differing views of the aims of economic and monetary union and, secondly, in the discarding of three paragraphs which were originally included in the motion for a resolution. These were as follows :

Is of the opinion that the restructuring of threatened industrial sectors is proceeding at too slow a pace so that the risk of enforced radical rationalization is becoming increasingly acute, and therefore expects the Commission to make maximum use of the opportunities provided inter alia by Chapter 37 of the Community budget ;

Notes that worker participation in the economic process is becoming increasingly necessary as a means to combat the economic crisis persisting in many sectors of the economy and feels, therefore, that in the near future — on the basis of its 1975 Green Paper — the Commission should submit proposals designed to institute throughout the Community not merely in the threatened but also in the healthy industrial sectors — joint consultation at sectoral and undertaking level between employers and employees on matters such as investment and employment ;

Refers, in the context of action to overcome the current economic crisis, to the great importance of the documents on the incomes policy which the Commission has undertaken to present before the end of the year and expects that they will include concrete proposals on profit-sharing and shareholding schemes for employees and the latter's responsibility to work for the undertakings' prosperity ;

It was because these three passages were rejected that two members of the committee abstained in the final vote on the opinion. Generally speaking, however, we are all in agreement as to the proposed amendment in its present form, with the request that it be inserted after point 10 of Lord Ardwick's motion for a resolution. I would ask the House to vote in favour of this amendment tabled by the Committee on Social Affairs, Employment and Education.

(Applause)

IN THE CHAIR, MR ZAGARI

*Vice-President*

**President.** — I call Mr Pisani to speak on behalf of the Socialist Group.

**Mr Pisani.** — (F) My contribution to this debate is on behalf of the Socialist Group.

Objectively speaking, the scope of the coming decisions, the chaos on the international scene despite the recent measures, and the prospect of direct elections are bound to give any European debate a pronounced political — not to say dramatic — character. The information we have been getting over the last few hours on the attitudes adopted in various quarters is proof enough of this, if indeed proof were needed.

It therefore follows that today's three-fold debate is particularly important. The Socialist Group will be voting together for the three reports we have in front of us. I have been entrusted with the task of setting out the Group's political views on this matter and of dealing with the questions which have so far gone unanswered, the difficulties and obstacles Europe will have to overcome if it wants to avoid running into conflict with the expectations of the peoples of Europe and with the discipline imposed on us by the international situation. I would be liar if I did not admit that all the problems raised were the subject of fierce debate within the Socialist Group. These debates have shown that despite having the same basic objectives, politicians from countries with different cultural heritages and different economic conditions may be tempted — and indeed obliged — to opt for different political courses. If ever we needed proof of the importance of the debate on Europe, these confrontations between the members of one and the same family fit the bill nicely. Europe seems to mean something different to each of us.

The Socialist Group wished to reiterate its commitment to Europe, its desire to help in bringing about economic and monetary union, which it feels to be both a prerequisite to and an essential feature of a more far-reaching political structure, its approval of the conclusions reached by the Bremen Summit and its eagerness to see the Brussels Council in December confirm and add to the progress made in July. But at the same time, I should like to be just as forceful in explaining how the Socialist Group sees the future of Europe. In our view, progress must be made on a step-by-step basis, so that Europe will eventually be the product of the efforts of several generations. At all times, however, this requires the support of public opinion. The process of European unification will therefore have to take account of all the immediate and practical difficulties with which our own countries are faced. If Europe failed to give priority to the question of jobs, if it failed to make a substantial contribution to solving the unemployment problem, it would risk being thought of as a useless shell, and it is only a short step from there to seeing Europe as positively harmful. By the same token, it would lack credibility if it failed to encourage stability and growth.

**Pisani**

Europe must play its part in the international division of labour. It wants and needs to remain open to the world. Maintaining the principle of the free exchange of goods, maintaining or, rather, re-establishing economic independence in all important sectors, and restoring full employment call for dynamic adaptation, sector by sector, and hence determined policies at both national and Community level.

Europe is beset with intolerable inequalities between regions, sectors, and even between individuals. Specific measures, of either a structural or a short-term economic nature, must be taken to reduce these inequalities.

This is the aim of the Regional and Social Funds, which must have access to far more resources and whose operating rules must be reformed.

The coherence, and hence the effectiveness, of these various sectoral and regional, national and Community, economic and social policies are dependent upon the gradual implementation of an overall plan which should be an expression of a common design, a common will and a common discipline on the part of our countries, all our citizens and the various economic entities. On a continental scale, planning is a basic condition for getting people to cooperate and for coordinated action. This is true of the Community in the same way as it is true of all large undertakings.

This common design and this common will can only come into being and find tangible expression if we remain mindful of the wide range of the facts involved and different policies will be needed in response to different situations. Not to realize this or to seek to reduce everything to the same terms would make a nonsense of the whole thing. This approach which is really the only one possible, calls for mutual understanding and solidarity. It also calls for an equal share of willingness to make an effort and accept discipline. What would be unacceptable would be for the better-placed countries to withhold solidarity on the pretext of having succeeded — or thinking they had succeeded — in resolving their own problems.

It would also be unacceptable for the countries with the greatest difficulties to appeal for solidarity without themselves making the necessary effort. Europe is based on the principle of equal effort.

In the final analysis, this alignment of policies, this planning and this solidarity will only have any point and will only be effective if accompanied by an unceasing and unflinching political resolve. On this point, the Socialist Group would like to underline the grave risks which the Community will run if direct elections do not witness a renewed determination — backed up by the political will of all the governments — to persevere with, and complete, the construction of Europe. My Group is all the more convinced of the need for this reaffirmation of faith in Europe because it realizes as I am sure all of us realize, that not one of

the Nine — soon to be the Twelve — can do without Europe economically or politically — or should I perhaps say economically *and* politically. There can be no world peace without Europe, because Europe is a powerful economic reality and a promising political entity free of any strategic aspirations. Europe — by virtue of its unique position and its independence — has a role to play as a moderating element, and this is how the Socialist Group sees today's debate. These are the ideas behind our questions to the Council and Commission and our desire to stress the significance of the decisions that are about to be taken. And it is on the basis of these ideas and whatever replies are forthcoming today that the Socialist Group will decide, when the time comes, what position to adopt regarding the European Monetary System and further developments towards the unification of Europe. We hope that by the December part-session, the Commission and the Council will have given Parliament the information it needs to hold a properly prepared debate. This House will then be in a position to exercise its original right to hear and debate both sides of the argument, a political right which — together with the budgetary powers which have become established in practice — constitutes the powers of this House.

As far as the problems under debate are concerned, the Socialist Group's thoughts, at the current stage of negotiations and studies, are as follows.

The Bremen Summit gave rise to a two-fold hope — firstly, that a zone of monetary stability could be established within the chaos of the international monetary scene, and secondly, that the development of a package of national and Community policies could lead to a convergence of national economies and particularly of national rates of growth, employment and inflation which would, in due course, create the necessary conditions for economic and monetary union.

But have these negotiations in fact done anything more than emphasize monetary policy to the detriment of the rest of the package? Does this approach which gives a privileged position to the monetary aspect, do anything other than reproduce the mechanics of the 'snake' — in an admittedly improved, but nonetheless basically similar form? Why should the European Monetary System succeed where the 'snake' was not exactly blessed with complete success?

Essential as a monetary approach and creation of the European Monetary System may be, will this not involve certain countries being subjected to forms of discipline with which they cannot possibly comply? Should we not, at the same time as the European monetary system is launched, also introduce additional measures designed to actively promote Community solidarity? These measures would be designed to provide short-term monetary support facilities (this would be the task of the Fund), to boost our economy towards greater prosperity and a higher level

## Pisani

of employment by means of a package of concerted and complementary short-term economic policies, ranging from active measures to boost the economy to measures of a more restrictive nature and finally, to transfer resources from those countries with strong economies to the economically weaker countries in the framework of co-ordinated medium-term policies, by way of the Community budget and loans for specific purposes?

Is the choice of instruments to be used in the terms of the Community project in its present form not itself restrictive and, to a certain extent, lop-sided? Does the thumbs-down for the basket of currencies not favour the strong currencies and impose a disproportionate load on the weak-currency countries? And as far as the weak-currency countries are concerned, does the system not therefore constitute a disincentive rather than an incentive? And does it not impose constraints — which are undoubtedly legitimate but also excessively severe — without offering any *quid pro quo* which might make them acceptable, feasible and thus tolerable in the public eye?

Disregarding the incessant demands being made of the Community by those who at the same time are trying everything in their power to prevent any progress being made, are there not grounds for fearing, under these circumstances, that these countries will not — or least think they will not — be able to take part in a system which simply places constraints on them without offering sufficient aid in return? This being so, and there is a danger of the Member States' economies growing even further apart, will it not become more difficult from year to year for these countries to join the system? In fact, will their original non-entry not become an irreversible fact?

Would the administration of a European Monetary System with fewer than nine members and with little chance of getting the others to join be on a Community or an inter-governmental basis? Does not the seriousness of the problem, the fact that inter-governmental administration would be unacceptable in view of the eventual goal of economic and monetary union, the definition of solidarity set out in the Treaties and the expected rôle of a directly elected European Parliament mean that an effort should be made to ensure that no government has any good reason for remaining outside the system? If only one of the Nine were allowed to stay out of the system, would this not inevitably lead to the conclusion that, by the very nature of their situation, the three candidate countries should also remain out in the cold? How could a Europe or a European Monetary System which had failed to solve these problems carry sufficient weight to join forces with the dollar and other currencies to restore equilibrium in the international monetary system? This equilibrium — which is a prerequisite for satisfactory economic growth — also depends on a

will based not only on monetary, but also on social, economic and political factors. In other words, how can Europe expect to bring about a return to equilibrium between such profoundly different regions of the world if it is not even capable of overcoming the differences between European national economies, which are after all fairly closely aligned and, moreover, are organized within the European Economic Community?

I should like to digress for a moment to say a few words in a personal capacity I have given serious thought to whether a European like myself has a right on the basis of the information we have at present on the European Monetary System, to urge British or Italian colleagues to take a stand in their own countries, in the face of public opinion at home, in favour of their country's membership. I am still not sure what my attitude should be.

Still in a personal capacity, I should like to say to our German colleagues that I can well understand their unanimous desire not to jeopardize their monetary stability and economic expansion. I also appreciate their wish to make their own effort and solidarity dependent upon the same degree of effort from those who would benefit from this solidarity. But I should like to ask them whether they do not feel that the proposed system requires too much from the weaker countries and thus jeopardizes the very existence of Europe? The economic weight of the Federal Republic in no way means that it can ignore the political necessity of belonging to a united Europe.

But, by the same token, I should like to suggest to my Italian and especially to my British colleagues that an objective analysis of the question should dissuade them from adopting an isolationist stance which would prove disastrous for them. If they did not join the European Monetary System, they would find it even more difficult to attain the employment, stability and growth objectives which are so vital to them. Nowhere else would they be able to find the kind of solidarity which exists within the Community and which must be taken still further. They would not be able to fall back on some kind of antiquated protectionism because, to do so, they would firstly have to break their ties with this Community and secondly, if they decided to batten down the hatches, they could not possibly keep the balance of payments in equilibrium in a economy heavily dependent on imports of essential raw materials.

I hope what is intended as an appeal is not misinterpreted, on either side, as a sermon. I make this appeal because my own country is here — as in certain other matters — mid-way between two camps, as is reflected in its geographical, historical and cultural position. But that is quite enough of the personal element I was so rash as to bring into this discussion. Let us move on to one final question.

**Pisani**

Should the European Monetary System we want to see created, which would be better suited to the priorities and situations of the various countries than the present system seems to be, be regarded as an end in itself, capable of building up an organization which is durable because it is self-sufficient? Or should we regard it as a logical step towards economic and monetary union and the construction of a European political entity? If not, if the European Monetary System really is only an end in itself, is all the fuss being made about it really worthwhile? If so, that is to say, if we want to take the monetary, economic and political aspects together, either as successive stages or simultaneously, is a two-tier Europe acceptable?

In setting out the political questions I have come across in the course of my investigations I have perhaps given the impression of having some serious objection to the results of the Bremen Summit and philosophy behind the various European Councils. If this were the case, I would have betrayed the views of a majority of my Group, which supports the continued development of Europe, is looking forward to economic and monetary union and is in favour of the European Monetary System. Apart from giving that assurance, in order at it were to extend its scope, so that no one should feel a stranger in his father's house, my aim has been to express in highly political terms the concerns which have been put forward for legitimate national reasons. They have enriched our thinking. I should therefore like to stress the importance which the Socialist Group attaches to the strict management policies and the far-sighted aspirations which the whole of Europe will have to apply in an effort to find its way back to equilibrium. Monetarists, economists and those whose concerns are mainly of a social nature are all in fact right, but only when all three aspects are taken together, simultaneously, and without giving one priority over the others. Although we support the monetarist approach, we believe it would be wrong to claim that it could be sufficient in itself. Let us hope that the Commission recovers the inspiration it found at Florence and that the Council puts a global interpretation on the Bremen communiqué — a 'comprehensive' interpretation, as our British friends would say. The Socialist Group will then not simply sit back and accept the European Monetary System, but will give strong, crusading support to the construction of a Europe whose aims are more than purely monetary.

*(Applause)*

**President.** — I call Mr Müller-Hermann to speak on behalf of the Christian-Democratic Group (EPP).

**Mr Müller-Hermann.** — *(D)* Mr President, allow me to begin with two brief comments. I should like to thank the four rapporteurs, and especially Lord Ardwick, who was faced with the difficult task of bringing together widely differing opinions in the motion for a resolution and who has succeeded in

bringing out clearly the main points of the Christian-Democratic Group's moves to provide a new impulse towards economic and monetary union.

Like the previous speakers, I very much regret the fact that we are having to discuss the European monetary system, so to speak, in a vacuum. I thought I had understood the President-in-Office of the Council to say in October that we should have a more detailed basis for a discussion in November before the final decisions were taken by the Heads of State and Government at the beginning of December. I do not intend this as a reproach because, after all, the subject matter is difficult in the extreme, and clearly no success has been achieved yet in fashioning something concrete and with a common basis out of what are often highly conflicting viewpoints. I should like, however, to ask the Bureau today to leave sufficient time at the December part-session so that we can — I hope — discuss in detail the results of the December Summit.

On behalf of the Christian-Democratic Group, I should like to emphasize that we are solidly behind the efforts being made by the Heads of State and Government to set up a European monetary system, and wish them every success in their endeavours. At a time of monetary unrest, it is absolutely right that we should be able to base our own Community medium and long-term policies on fixed rates of exchange. However, I should also like to emphasize that we want to see this system of fixed rates of exchange enshrined in a form which — in conjunction with a properly coordinated economic policy — will enable us to achieve a high degree of stability and economic growth. I think we all realize that, however desirable stable rates of exchange may be, they would be of precious little use if they simply landed us in a general Community inflationary spiral. And this will continue to be the criterion by which we shall assess the decisions taken by the Commission and by the Heads of State and Government.

Coming back to Lord Ardwick's report, I would point out that last autumn, we took what I think were very helpful initiatives which met with a ready response from the Commission and from the other political groups represented in this House. We still believe that the difficult economic situation, the forthcoming enlargement of the Community and — last but not least — the new international division of labour which we shall have to adjust to — represent an enormous challenge to the Community. We shall have to call on all our creativity and we shall all have to achieve a high rate of productivity to remain competitive on the international markets. If we want to overcome these difficulties, we shall have to look ahead and take our courage in both hands, and I would add that courageous decisions in a Community context will always have to be a matter for compromise, and these compromise solutions will not always strike everyone as ideal.

**Müller-Hermann**

While I am on this point, I should just like to refer in passing to a subject which may be of a somewhat delicate nature. At the Bremen Summit, the Heads of State and Government assumed that what we wanted was a system which could embrace all the Member States. The present state of affairs would seem to indicate, however, that the problems facing one important Member State are particularly difficult.

To be more specific, I am talking about the United Kingdom which — as far as one can tell from outside — has, or appears to have, problems which are more of a domestic nature. This is reflected in certain amendments tabled to Lord Ardwick's report, which bring out very clearly the preconceptions or the attitudes adopted by certain factions in the Labour Party. The way Lord Ardwick dealt with these amendments has greatly increased his standing in my eyes. We should call on the Heads of State and Government to do everything in their power to involve all nine Member States in this project. The abstention of one country would be more than just a blemish, and if such a rift in the solidarity of the Community were really to come to pass, it should be left quite clear with whom the blame would lie.

Let me reiterate the four basic ideas which lay behind our initiative on the renewed efforts towards economic and monetary union and which we still believe to be of decisive importance for the efforts which have now got underway at government level.

Firstly, there is a fundamental link between economic policy and monetary policy. We should not and will not stir up any theoretical controversy right now as to which should have priority. We proceeded from the assumption that the important thing initially was to achieve some degree of coordination in economic policy. The Heads of State and Government are more concerned with tackling the problem from the opposite angle. We are quite prepared to support their efforts, but their approach can only work — and we must be quite clear about this — if there is at the same time a great push to achieve harmonization of economic policy, which of course — because of the different starting positions — cannot possibly be the same in all Member States, but which must nevertheless have the same aim — namely, stability, growth and full employment.

Secondly, we have said very, very clearly — and all the previous speakers have touched on this point in one way or another — that our Community can only solve these problems if the countries with stronger economies and currencies are prepared to commit themselves to a transfer of resources. I cannot make this point forcefully enough. However, a transfer of resources can only ever be a means to help those who help themselves. It cannot exonerate those countries with weaker currencies and economies from making

efforts of their own. On the other hand — and I make this point expressly because Mr Pisani made certain comments in a purely personal capacity — the economically stronger countries should not regard the transfer of resources as evidence of unselfish heroism on their part. It is simply common sense and in these countries' own interest for purchasing power, full employment and prosperity to develop roughly on a par in all regions and parts of the Community.

Thirdly, we had every reason to point out in our motion for a resolution the need for more self-discipline. What this always boils down to is an appeal to politicians like ourselves, who at various times and in various places and for various reasons think that our expectations can be increased without a corresponding increase in economic performance. We must get away from the idea, which is still so prevalent in certain countries, that more self-discipline inevitably means the pursuit of deflationary policies or of policies which are bound to increase unemployment. I think we have seen enough instances in Europe to convince us that a policy which is concerned to establish a necessary measure of discipline and restraint can also meet and deal with the problems of growth and full employment. Finally, Mr President, the consideration I have just referred to is one reason why we Christian Democrats urgently advise the adoption, for the purposes of a European monetary system, of precise intervention rules and of fluctuation margins which are kept as narrow as possible. Of course, there will be exceptional or transitional cases in which wider margins can or must be adopted. But such exceptions must not become the norm if we really want to stick to the degree of discipline which we all think necessary in the interests of the Community. I therefore think that, as far as the conditions to be attached to this new European monetary system are concerned, there must be a certain degree of enforced solidarity.

I should like to conclude at this point and underline once again how important it is that we accept the need for genuine solidarity, particularly with the weaker members of the Community, in our discussions on a European monetary system. On the whole, however, we shall only overcome the problems by genuinely mobilizing all the social and economic forces within the Community. After all, we all realize that we are faced with difficult problems and that we shall certainly not solve these problems with indolence, idleness and euphoria. It will require a great effort of will and the mobilization of all the powers at our disposal, and if this can be achieved, the Christian-Democratic Group will give its unstinted support to the Commission and the Council.

*(Applause)*

**President.** — I call Mr Zywiets to speak on behalf of the Liberal and Democratic Group.

**Mr Zywiez.** — (*D*) Mr President, ladies and gentlemen, I should like to offer the thanks of the Liberal and Democratic Group for the work which has been put in so far and to add that we very much welcome this initiative of the Heads of Government on monetary policy. Mention of monetary policy reminds me of the maxim that politics is an uphill struggle and that progress in the field of monetary policy can often only be made at a snail's pace although it may be argued that even a snail makes some progress.

I should like to point out that from the Liberal and Democratic point of view, efforts directed at a more Community-based monetary policy must be supported and supplemented by converging economic policies. Otherwise, there is no way this endeavour — however well-intentioned it may be — can be crowned with success. The fact that we are discussing this matter in this House in advance of a meeting of the Council is certainly a cause for rejoicing. I should like, however, to add my voice to those of previous speakers who complained that the House had so far not been given sufficiently detailed information about the economic situation in the Community and about the intended package of monetary policy measures. In spite of this, however, we feel we must take the opportunity to tell the public of the intentions and the substance of these steps that are being taken towards the establishment of a European monetary system. Clearly, this is an extremely complex subject, and I myself am extremely apprehensive about tackling it. I heard somewhere in the lobby that there are only a handful of people who understand this subject and that unfortunately only half of them are capable of explaining it, so that we are all more or less stumbling about in the dark.

What we have to do here, though, in advance of the meeting of the Council, is to bring out on one or two points the wishes of the political groups and the wishes of Parliament in the form of an agreed resolution. As far as I am concerned, this debate is not so much concerned with the technical details of this system as with forging a close link between economic and monetary union, so that we do not lose track of the efforts which are needed to attain these twin political goals.

We in the Liberal and Democratic Group base our consideration of the monetary system on certain points which we deem to be essential. For instance, we think that the economy — and hence also any monetary system — must always be a means to an end and not an end in itself. In other words, we shall ask ourselves in what way any economic system can improve the welfare of as many of our people as possible in as many regions as possible in the European Community, and what I mean here in the first instance is economic welfare. We also believe that

improving our peoples' economic welfare is the only way of maintaining and extending the level of democratic satisfaction we have already reached. Economic and democratic stability are inextricably linked, and this explains why we are so enormously keen to bolster them up by establishing this monetary system step-by-step.

We must, however, also approach this whole problem frankly and openly, because behind the monetary veneer lurks a multi-billion pound project which will be funded by our national economies from the national product generated by the people of Europe. Our sense of fairness makes it incumbent upon us to be completely frank in tackling this question, however much — and I think we are right in assuming this — every side is prepared, as Mr Pisani said, to implement, in the truest sense of the word, a pact between the well-off and the economically less well-off. But we feel that what we should be doing is to encourage self-help.

I am reminded of the German proverb which runs 'enter money, exit friendship' and this prompts me to make a few points clearly and unequivocally, because what we are talking about is a distribution of burdens for the future, and the more we realize what this involves, the better our chances are of staying friends despite the 'money'. Our general concern is that we should all be fully in the picture as to what all this may involve in terms of rights and obligations, inputs and outputs.

As the previous speakers said, this must be achieved in stages rather than in a single bold leap. These stages must include not only a European reserve currency based on a basket of currencies, and the establishment of a reserve fund — which we support — no matter how large, but also — to ensure that the whole thing does not remain at a technical level, with a dash of politics added as an unsatisfactory afterthought — the need for as much clarity as possible right from the word go as to how such a reserve fund should be managed politically. I do not think that a policy of deferment or exclusion would be the right approach.

The structure foreseen for this economic system has already been discussed by the previous speakers. I shall therefore skip over that subject and move on to commenting, from a Liberal point of view, on a question which I think we hear all too frequently, namely, why take this initiative at this precise moment? I can only echo what Mr Müller-Herrmann said to the effect that previously, thinking tended towards the convergence of national economies, which it was hoped would then lead eventually to harmonization and a system of fixed parities.

However, as this approach was not promising enough, we must now have the courage to adopt a different approach and avoid merely theoretical controversy. I



## Zywiets

believe that up to ten years ago — up to 1968 or perhaps even to 1969 — currency problems were not really political problems, because we had a system of fixed parities. But when we look back over these last 10 years — and I am not afraid to admit that we are confronted here with the whole question of devaluation and revaluation in the Federal Republic of Germany, which was, for example, an extremely contentious political matter in 1969 — I must say that there has been much public discussion, in a variety of forms, on questions of monetary policy. And quite rightly so, I may add, because after all, the transfer of resources and redistribution of incomes and wealth will be based on how much currencies are worth. In this case, that is quite right and proper, although we feel that people should be aware of the extent of the redistribution.

We therefore welcome the shift in approach and support the aid envisaged by pooling national reserves in a single fund. As to the point made by previous speakers that the Federal Republic of Germany could do more in this respect — I cannot remember the exact statistics the speaker was referring to — I should just like to say in general terms that the Federal Republic — economically speaking — has done all it could possibly have done in the last few years to further economic growth, and indeed has gone to the very brink of what the constitution would allow. Because this specific point was brought up, I thought I should just make this remark for the sake of clarity.

If, however, one is in favour of surrendering currency reserves — and from what I gather, this would be expressed in terms of a percentage of available national reserves — it is a tangible expression of the fact that the Member States of the Community, which hold relatively large reserves, are making a higher percentage of their reserves available as a support currency in the form of a foreign exchange float without making any great do about the matter. I do not want to go into any more detail on this, but I think, while we are on this point, it should be said that the reserves which are paid into this fund on the basis of a percentage of national reserves will vary very widely, in absolute terms, from country to country and will be used as a working fund to support the currency parity between the well-off and the less well-off Member States. However, any juggling of parities by buying and selling foreign exchange — no matter how well-meaning the fund and no matter how coordinated the rights relating to this fund — is bound to lead into a blind alley at some stage if there is not a greater degree of coordination of economic policy to back up the monetary policy. Otherwise, any support fund is ultimately bound to remain inadequate. It would succeed only in swallow up resources without improving the welfare of a large number of the Community's citizens. And that — as far as I and my Liberal colleagues are concerned — is the aim which the system should have.

I should like to add my voice to certain questions brought up by previous speakers and which we, too, feel require some clarification from the Commission and the Council. What they amount to ultimately is that we need more details as to when intervention will take place, how the books will be balanced, how specific the role of the newly created units of account can be and what room for manoeuvre is expected to exist subsequently against the dollar, in view of the fact that the contingency fund will consist of 60 000 million dollars, whereas the Eurodollar market — if I am correctly informed — is estimated at something like ten times that amount. I think what we need here is some clarification so that the correct measures can be taken as to the quantum of the fund to ensure that we finish up eventually with a bit more monetary autonomy in Europe.

We Liberals expect this European monetary system to help to establish a stable community, which should not, however, be seen as an end in itself. We believe that relative monetary stability will give confidence to would-be investors and will thus create confidence in more or less steady economic growth in the Community. We need this monetary system to enable us to take increasing account as time goes on of the qualitative aspects and to generate more jobs than we now have in the European Community.

Of course, we realize that this monetary system can be used to effect a transfer of resources within the regions and the Member States of the Community. We believe, however, that openly publicized transfers using the available funds, which only need to be restructured and increased are a more effective — and perhaps also a rather more honest and conventional — way of going about things. It will not be possible to carry out such transactions satisfactorily using a European reserve currency. We hope, however, there will be a general increase in prosperity as a result of the dismantling of trade barriers within the Community in the wake of the creation of a reserve fund and the active search for a parallel currency. We hope, too, that we shall see more initiatives aimed at supporting and encouraging economic growth.

At the same time, however, we feel that even though this monetary system is fast taking shape we shall have to keep an even sharper eye out in the future to ensure that this House is supplied with better information on the current economic state of the Community, as one of the previous speaker rightly pointed out. Today's debate is, after all, a composite debate and I just wanted to make this point. I also feel that we shall have to give some thought in the future as to whether this kind of information is really adequate in terms of content and applicability. I would imagine that something like a European council of experts —

**Zywietz**

whose job would be to present a scenario and offer specific alternative courses of action — would be useful in the future, so that we can achieve this balance between a rather more effective monetary system in Europe and the harmonization of economic development.

Let me say in conclusion that we attach great importance to the fact that these steps being taken towards a European monetary system should produce solid and lasting results, because any short-term or medium-term measure is bound sooner or later to result in a doubly great disappointment, and might perhaps lead to practically irreparable damage being done to the economic and — even worse — to the democratic and political system.

What we want to set up is an economic system, a monetary system which can really be put to practical use and which will bring benefits for our people, so that foreign travellers do not have to change back their last few foreign banknotes after every trip lest they suffer the consequences of a falling currency, and so that all our people gain more and more confidence in the European currency and realize that it exists for their benefit and not — as they may think — for the benefit of speculators. We feel that these steps being taken towards a European monetary system must — in view of the size of the Eurodollar market — aim for more monetary autonomy than we seem to have at the moment, ignoring for the time being the autonomies which exist only on paper.

**President.** — I call Sir Brandon to speak on behalf of the European Conservative Group.

**Sir Brandon Rhys Williams.** — Mr President, we certainly have a heavily-charged agenda in this economic debate, since we have to consider not only Mr Stetter's and Lord Ardwick's reports but also Mr Pisani's comments on the highly important though almost inscrutably laconic proposal for a Council regulation which has been brought before us at very short notice by the Commission.

I am sure we all want to congratulate all the rapporteurs. Mr Stetter certainly has a difficult task in considering the economic situation just at this time. It has rarely been harder to discern with certainty, and on all sides we see economic danger signs, currency instability and news of a most alarming character from the Middle East and those other parts of the world from which we derive our essential supplies of energy and raw materials.

I am glad to see Lord Ardwick is resuming his place, because I want to pay a tribute to him in his difficult role of permanent rapporteur for the whole topic of economic and monetary union, which I occupied without any distinction for a long time before he stepped into the job. I would like to congratulate him

on making the very most of his opportunities in this rapporteurship. The time was certainly ripe for the European Parliament to take up this theme again in a positive way. We were helped by Roy Jenkins' brave initiative last year, but I think that the fact that we were guided by Lord Ardwick as rapporteur has certainly lightened the work of our committee and brought us to a much more satisfactory understanding on the whole great topic of economic and monetary union. I warmly commend his report and support the resolutions embodied in it.

We in the Community long for greater certainty and hope for progress and security, and that, of course, is the mainspring behind the campaign towards economic and monetary union which is gathering strength once again. There is certainly a degree of opposition to the idea of economic and monetary union, but I think that it is very often founded on a misconception, i.e. the idea that the advocates of monetary union are trying to rush us into a mono-currency system before the time is ripe. That really is not what Lord Ardwick is advocating, or those who support progress in this direction. We recognize that we are not going at a stroke to adopt a single currency for the European Community or even for a group of currencies within it. Even within the snake, which is the nearest thing we have to a mono-currency system, there is latitude for changes in exchange rates from time to time, as, of course, we have seen quite recently. What the Bremen initiative is all about therefore is to run a multi-currency system on more civilized lines. This is something which must surely be within our power.

In order to achieve a better method of running national currencies in greater cooperation, it seems to me that we need three things. The first is a valid institutional framework which will hold the whole currency structure of the Community under some sort of control. This does not mean the setting up of a central bank with mandatory powers, but I do believe that we need to build on the European Fund for Monetary Cooperation, which was founded as long ago as 1973 but has not until now really come into public view. Then, of course, there has to be the confidence and assent of the business community. It is no good governments trying to achieve anything in the currency field if business is sceptical or hostile. And finally there has to be the will by each of the governments in our multicurrency system to cooperate in a genuine spirit with the other governments. Governments in a democratic structure like the European Community cannot run ahead of their own electorates, and therefore all concerned with the development of a multi-currency system on more civilized lines have to recognize the essential need for each of the Member States to carry its electorate behind it in whatever commitment it makes.

**Rhys Williams**

Let us look quickly at the progress we are making in the institutional field. If we look back to the 1930s when we also had a period of acute currency instability, the solution was found at Bretton Woods. The International Monetary Fund corresponds to what we now have already in the European Fund for Monetary Cooperation. The World Bank might be said to correspond to the European Investment Bank. The IDA, the organ for distribution of soft loans, we have reproduced to some extent in the Community's regional policy.

Of course, the Americans also launched the Marshall Plan, a tremendously visionary and generous gesture without which probably none of the rest would have succeeded; and likewise I do think that our German friends have to be congratulated on the way in which they have brought forward the concept of the setting up of an enormous fund with which to achieve the launching of this multi-currency system on civilised lines. However, I have questioned the wisdom of the way in which this fund is being constituted, because I fear that it may not be put to its best use if all the rumours that we have heard about the shape of the agreement which is to come before the Council on 5 December are correct. I believe that the emphasis as to the way this fund is to be applied is far too much in the direction of achieving short-term stability and not nearly enough towards the transformation of the European Community's economy through really fruitful and well-chosen long-term investments.

Let us look then at the degree to which we have the confidence and assent of business. Certainly the business community longs for a greater measure of currency stability. Inside the Community, we have to ensure that this scheme is not simply a new name for a credit squeeze, deflation imposed for this or that monetary ideal and only creating a climate of business contraction and uncertainty. The setting-up of the new scheme must be a signal which boosts confidence and does not destroy it, does not add to the general sense of dislocation and the fear of a cold economic winter ahead. I do hope that we can accentuate the positive aspects of the European Monetary System and not offer it as a new wave of deflation and restriction, which the business community has to submit to.

Then outside the Community, we need to win the acceptance of the European cluster of currencies as a single monetary counter in the world currency system. We must not simply make opportunities for speculators to intervene and exploit our attempts at unity and turn them to no effect. I hope that what we are doing now is going to characterize the European time-zone as a period of confidence and stability and good sense in the course of the 24 hours of world currency dealings, not simply as an interval of chaos and hectic speculative intervention leading to the breakdown of all our hopes.

As to the will of governments and electorates to co-operate, we do have to place very great importance on

this, particularly here in the European Parliament, where we are concerned with the political issues. I believe that we need to show our voters that we are fighting inflation not just by self-denial and by restrictions, but by transferring expenditure from the current account into the capital account — that we may be reducing expenditure on luxuries because it is our policy and good sense to put our money instead into investments which will create more wealth in due course, and thereby bring hope and not merely a sense of frustration.

We do not want higher money wages which bring higher imports, higher inflation and higher unemployment. We want instead a higher rate of constructive investment, and that is what has to flow from the Bremen initiative. The revolution of rising expectations is a fact, and it is not to be denied. It can be guided into long-range projects which bring real wealth to the Community, and this is a particular task for politicians in conjunction with the bankers and financiers. I am thinking of such things as the Burke plan for transport. This, of course, carries with it the idea of the 'Chunnel link', which I particularly support. That is the type of project which the new confidence we feel as a result of the adoption of the European Monetary System should bring into view. And then, I mention another British ideal, the Severn barrage. Gracious heavens, we need to do something more about our energy programme in the Community when we read the news from the Middle East which gets more worrying every day! And yet, haven't we read how we have got to abandon such ambitious projects because of the monetary crisis? I think that if we are going to overcome the monetary crisis it should be by moving forward in the field of long-term investment first of all.

Now let me try to tackle the difficult question of British accession to the scheme. I am speaking this afternoon for the European Conservative Group, and I think I am able to speak for all the different points of view within the group if I say that we warmly endorse the whole concept of close cooperation between the monetary authorities of the Member States. We think that Britain should cooperate as closely as every other member in achieving a rational, civilized multi-currency system. And equally, the Conservatives are totally committed to the idea of sound money policies. We want to beat inflation as much as anybody else could wish it, and therefore, in so far as the Bremen initiative is an attempt to stabilize currencies and to defeat inflation by collective action, then we are warmly in support of that. Denmark is already within the snake, and Britain, of course, for very many years was the centre of the sterling area, which was indeed a multi-currency system run on civilized lines. So Britain has long experience of cooperation in a system of monetary stability, and we long to do the same again.

**Rhys Williams**

But it has to be recognized that there are certain special difficulties for Britain. We want — certainly Conservatives want — to comply with our obligations and to dismantle the capital controls which still inhibit the free movement of capital in and out of London. Not very many people would be willing to speculate as to exactly what the effect of dismantling the controls might be, and it may be that this process would have to be spread over a matter of months or even longer. And during that time, it might be particularly difficult to hold sterling within a framework of currency stability, because capital movements are unpredictable things. Some special provision may be necessary for Britain during the dismantling period. Secondly, there is the difficulty that London is such an active capital market. I think that it is true to say that it is much more active than any of the other capital markets in the Community.

So whereas this very generous back-up fund for the monetary system will be able to master the sort of disturbances which might upset business in Copenhagen or in Milan or Amsterdam or even in Paris — though that is getting a little more doubtful — no fund is large enough to master capital movements in so far as they affect the London market. This is a fact which surely we have to recognize after the experience of recent years. London's fluctuations will have to be carried on the rate — they cannot be carried on the fund. But that does not mean to say that we have got to hand ourselves over to wild swings and speculative booms and slumps. After all, the rate of variation in the value of the pound and the Deutschmark, if they are taken as extreme points in the system, is only some ½ % a month; and if we have fluctuations only of that order, it is not catastrophic for the system. What we cannot go on with is movements of 2 or 3 % a week, or even as much as 5 % in a single day, as we have seen recently in some of the world currency market leaders. Surely, cooperation must make it possible, even if there is a relatively free movement of rates in London, to achieve a better sort of currency structure than we have at the moment.

Now, I would like to say this to our German friends. I believe it is very important while we are discussing the European Monetary System to avoid drama. What we want is achievement, not miracles. It is an old saying, but I would like to repeat it, to Herr Lahnstein, that you can generally have success if you do not insist on victory. I think that perhaps our German friends, during the time of their presidency, have wanted to achieve a sort of victory over inflation, a victory over instability. They are doing it entirely with the best motives, but they are running into dangers because they are trying to do too much in too short a time. They should not be confronting each Member State, as they are apparently doing now, with an agonizing decision either to join an inner circle or to become part of the lower tier in a two-tier Europe.

We cannot make progress if we allow the European Community to break up into a two-tier structure. Most of all — and I must say this — we cannot allow a situation to develop which has the appearance of a monetary 1940, in which the Continent is consolidated under German leadership and Britain is forced to stand alone. That would be a disaster which has to be avoided at all cost. But here in a political context it is necessary to recognize that the way we are going just now could lead some people to feel that this is the effect of the German initiatives. It is absolutely unnecessary and all of us must work together to prevent it. So let's place all the emphasis we can on unity, growth, long-term investment and cooperation.

The German presidency should place its hopes, not on the creation of an appearance of progress based on short-lived illusions concealing unsolved inner weaknesses within the Community economy, but on the steady achievement of growth in unity through the use of the available funds for fruitful long-term investment in the private and the public sectors which will fundamentally transform the economy of Western Europe and consolidate our true community of interest.

*(Applause)*

**President.** — I call Mr Leonardi to speak on behalf of the Communist and Allies Group.

**Mr Leonardi.** — *(I)* Needless to say, I share the views of other Members as regards the dearth of information and the need to pursue this debate. Nevertheless, since each group has to state its position, let me say at the outset that the Italian members of the Communist and Allies Group will vote in favour of the motions submitted by Mr Pisani and by Lord Ardwick, but will abstain on Mr Stetter's motion because it is a mere formality corresponding, moreover, to a document from the Commission which is itself a formality.

In the few minutes allowed to me I shall do no more than illustrate the major amendments. First and foremost, I feel we have to admit that intra-Community links are now too weak in relation to the external situation which each Member State and the Community as a whole has to face. Consequently, the Community will tend to break up unless internal links are reinforced.

The reinforcement now envisaged by the launching of monetary union does not merely reflect the wishes of a few, but is a necessity felt by all concerned.

Monetary problems are in the limelight today because the external factor which has the most disruptive effect on our Community is the dominant and privileged position held in the economic field by the United States, owing particularly to that nation's posi-

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tion in the world monetary system, in which the almighty dollar obliges, willy-nilly, other currencies to bear the brunt of America's domestic and foreign policy decisions. As a result, the problem of launching a monetary union cannot be tackled seriously unless the problems of our relations with the dollar and the role of this currency are also tackled, as this role will of necessity be changed by the establishment of a Community currency zone.

Faced with this problem, I feel it is a mistake to bury our heads in the sand, which is more or less what we have been doing up to now. I believe it our duty as Members of this Parliament to state the facts as they stand.

It follows that every step taken towards monetary union must be backed up by increased solidarity among the countries concerned.

Relinquishing this principle would inevitably scuttle the whole venture and lead to a deterioration of the existing situation to the greater advantage, however marginal and temporary, of the stronger countries over the weaker. A Community monetary zone achieved at any price — even at the expense of solidarity — must be viewed as the negation, even if it may not appear as such, of genuine monetary union. The fundamental issue is therefore conditions on which the objective is to be reached and it is on this that, had we been able, we ought to have debated today and given our advice to the Commission.

Be that as it may, I feel it necessary to make the following points.

There must be automatic and wholehearted support for any currency under pressure from external speculation. Let the experience be gained from the Werner Plan be a lesson. Let the hammer blows which shattered this Plan be a warning to us in our new venture. When a person is assaulted it is the duty of all of his friends to spring to his assistance. The reserve fund designed to underpin the issue of the new ECU as a reference point for the parities of the different national currencies must not be smaller than that agreed on at Bremen, and must be accompanied by the expansion of Community loans and the implementation of common policies representing a true Community bond and reducing the present glaring and intolerable disparities between countries and regions, all of which are part of the same Community.

Transferring resources in the absence of common policies in no way constitutes a solution to the problem, however big these transfers may be.

Lastly, an effort has to be made to assess the conditions for attaining our goal, not in the light of the existing situation but in terms of the situation which is likely to arise precisely as a result of the launching of monetary union and of this Parliament's greater

margin of manoeuvre following direct elections. In addition, during the first months of the approach to monetary union other institutional changes and changes connected with enlargement cannot be ruled out.

We must apply our past experience when contemplating this development. For a number of years, the so-called customs union proved a lot more dynamic than had generally been expected and the problems of adaptation of Member States proved far less acute than had been feared. Sad to say, this situation was not correctly assessed in political terms, and was exploited largely to the advantage of established interests, thereby engendering the current crisis.

*(Applause)*

**President.** — I call Mr Nyborg on behalf of the Group of European Progressive Democrats.

**Mr Nyborg.** — *(DK)* Mr President, ladies and gentlemen, procedural matters are not generally speaking the most interesting aspects of reports although I think in the present case there is good reason to dwell a little on certain procedural matters.

The report on the annual report on the economic situation was adopted by the committee on 30 October in the expectation that the Council would consult Parliament, which it in fact did on 31 October. If we look at the Pisani Report, we see that the Council consulted Parliament on 30 October and stated clearly that it hoped Parliament would give its opinion during the November part-session. In the case of the Ardwick Report, however, the European Parliament was not consulted at all. These facts are, I think, worthy of serious consideration. In the two cases where Parliament was officially consulted, the time available to Parliament to deal with these Commission proposals was so short that it was simply impossible for Parliament to deal with them in a manner befitting their importance.

I am sorry to have to point out, Mr President, that in matters of economic and monetary policy the Commission has only submitted a minimum of proposals and has submitted them so late as to seriously undermine the confidence both of the people of Europe in the working methods of the Commission and the European Parliament, and of the European Parliament in the Commission. When I think about the discussions of these procedural aspects in the committee, it strikes me that the Commission is taking a nonchalant attitude to these matters.

What else has the Commission done over the last year? We know that in its statements it has stressed the desirability of taking new steps forward towards Economic and Monetary Union, and agreements have been reached at Council level on certain aspects of a

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new European Monetary System. It has spoken proudly of a so-called coordinated action which was supposed to promote economic growth, but what specific proposals has the Commission actually put forward with a view to improving the situation as a whole? What opportunities has the European Parliament had to adopt a position regarding the policy advocated by the Commission? Indeed, I might even ask whether the Commission in fact has any specific policy at all in mind or whether it is simply echoing what the various governments have agreed upon?

As regards the revival of Economic and Monetary Union and the introduction of a European Monetary System, we have been consulted exactly once, namely on the proposal for a regulation establishing a European Monetary System which we are discussing here today and which is in fact far less ambitious than the title might lead us to believe. The proposal simply concerns an adjustment of the regulations governing on existing instrument, namely the European Fund for Monetary Cooperation. The Commission's aim appears to be to establish a minimum legal basis for the implementation of the policy subsequently agreed upon by the Council in this field. Naturally, this is an important proposal which may have far-reaching consequences, but I am disappointed that the Commission has been unable to evolve more comprehensive and specific proposals which on the one hand would indicate that it had a definite purpose in mind, and on the other would enable Parliament and the people of Europe to assess what is actually being dreamed up.

If we consider what the Commission is doing in connection with the coordination of the economic policies of the Member States, here to I cannot see that it is doing anything more than reflecting and recording the decisions made in the national capitals and that it is omitting to make use of the powers already vested in it. For example, how are we to react to the fact that it was October 1978 before agreement was reached on the economic policy conditions which Italy is to fulfil in 1978 in connection with the loans it has received, or to put it another way, that certain rules were laid down in October which should have been observed since the preceding January? Of course, I know perfectly well what the Commission will say by way of explanation, but I am sorry to have to say in advance that I find it very difficult to take all these fine words seriously. The fact is that the Commission has not done its job as a controlling and driving force in matters of economic and monetary cooperation within the Community, and if it has in fact done anything, it was to a certain extent outside the framework of the institutions.

As the representative of a small country, I naturally hope that we will manage to get monetary cooperation on its feet as I think it is an extremely important

thing and will give my support to any efforts in this direction.

However, I should like at the same time to say to the Commission that the way it has carried out its duties in this field is unacceptable and that in the long term neither an indirectly or directly elected Parliament can or will accept the kind of treatment it has received from the Commission in this matter. I fully realize that we cannot go any further than the governments of the Member States wish to go, but nevertheless the Commission has particular responsibility here, and I am afraid that if it fails to realize this, the new monetary system will be rather short-lived. If this cooperation is to be a success, the Commission will have to fulfil its duties as both a controlling and a driving force in a very different way than it has up to now, and it must treat the European Parliament in a way which is in keeping with the gravity of the problems.

I should also stress on behalf of my Group, that we naturally agree in principle to the establishment of that closer monetary cooperation with a view to achieving monetary stability. The recent marked instability on the international currency market has caused a great deal of uncertainty the international currency market has caused a great deal of uncertainty in European business. Investors hold back because they do not feel the stability which is essential for reasonable investments. Naturally this has considerable consequences for the employment situation, which is one of the points with which we politicians are most concerned. Of course, it is important that we proceed with caution in order to avoid causing further disappointment which, on top of so many other disappointments, would bring the whole project into disrepute once and for all. We must give the people of Europe a clear picture of what Economic and Monetary Union will mean in practice, and for this reason we must endeavour to solve a minimum of the current economic problems and, as I said before, achieve monetary stability, without which nothing is possible. Naturally, therefore, our Group, too, favours to the idea of a European Monetary Fund, or perhaps I should say an expanded European Monetary Fund.

Mr President, I should like to conclude by saying that the Group of European Progressive Democrats can give its support to all three of the reports before us.

*(Applause)*

**President.** — I call Mrs Ewing.

**Mrs Ewing.** — Mr President, it is not very pleasant sometimes to be the discordant voice when everything around you in the Parliament seems to be sweetness and light. I am afraid that is really what I am going to have to do. It seems to me that if one listens to the whole debate, — I have been in for most of it — one gets the impression that all this is going to happen. I

Ewing

do not believe that Britain is going to go into this scheme. Now I have had a look to see whether the views of other bodies support what I am saying. The TUC, for example, is opposed to the proposal; even, the Confederation of British Industry, whom one would have thought would have supported it, list a large number of safeguards which, they feel, would be necessary before they could support the scheme. It seems to me, reading the long list of safeguards, that they are unlikely to find acceptance with the other Member States. One of them, for example, is that the introduction of the scheme would have to be accompanied by arrangements, by a better balance between contributions to and benefits from the EEC, related to the strength of the various national economies. And that of course follows the report which indicates that Britain, one of the poorer countries in many respects, is the second biggest contributor. The report also indicated that within a year, it may very well be the biggest contributor. I suppose that is what the CBI had in mind when they put forward their view. I also note with interest that, despite what Sir Brandon had to say today, Mrs Thatcher is currently a little ambivalent on the matter, although the Conservative Party describes itself as the party of Europe.

I will just turn to the Government in Britain before I leave this point. You are looking at a Member who has regularly questioned Mr Callaghan on his policy with regard to EMU. I have received on several occasions, a categorical assurance that it was not the policy of the British Government. I make these points because I feel we are becoming a little unrealistic about the situation. It appears from my reading that Italy and Ireland also have considerable reservations. The Italian Government is concerned about the weakness of the weaker economies and the problems they will face. I think that some of the worries of the opponents could perhaps be mentioned in this debate before we look at the obvious advantages which according to some of the speakers, would flow from economic monetary union. We have heard a lot of talk about removal of uncertainties and the creation of stability for investment, about concern over the dollar and the advantages of a unified European currency which the proponents of the scheme believe, would stabilize Western economy.

But what about some of the opponents' worries? Most of the banks are, I believe, in favour of the scheme, but there are notable exceptions. The United Kingdom Treasury is particularly concerned about the EMS because they fear that the weaker economies could only manage to keep their currencies inside the system at a fearful cost in deflation and unemployment. I wonder perhaps, in summing up, if something could be said about that. There have been fears that sterling will have to be devalued before entry, with the effect which that would have on inflation. Some senior members of the Treasury have expressed the view that the choice for Britain, is between member-

ship of the scheme and holding inflation to single figures. I think many of the members will appreciate that there is genuine concern. I therefore believe that Britain will not enter the scheme.

As for my own view I can perhaps point out that Scotland has some experience of monetary union. It entered one with England in 1707 and you can see the results if you have the courtesy to come and visit my country. You will see how, when decision-making is removed, it becomes virtually impossible to deal with regional policies and regional imbalances. We have a very bad population balance. Most of our people live in one little industrial belt and hardly anyone lives in the rest of the rather large land mass. So we know what a unified currency and system of decision-making can do when trying to deal with the problems of regional imbalance. They place serious restriction on the use of the economic weapons which governments employ to try and offset regional imbalances, deflationary methods, relationary currency controls and devaluation. The Regional Fund sounds very well in theory and it is very good as far as it goes. But we all know that in UK terms it is a fraction of the amount of money that successive governments of both colours have paid to try and solve many of the regional problems in Scotland, Wales and indeed England. So if these massive inputs and very careful attempts to try and solve the problems have not succeeded, the little bit that comes from the EEC Fund certainly is not going to do so. We are critical of any restrictions imposed on a Member State which would prevent it from taking the kind of measures that we have got accustomed to inside the UK, and which still do not go far enough.

Is it sensible to tie the currencies of Western Europe together when so much separates the countries economically? Is this to some extent a shibboleth? We know of course many people sincerely believe that a single currency is the answer. We know that the President of the Commission holds the view most sincerely, we know that he regards any scheme as just a half-way house to a single currency; I think he has said this quite openly. I respect the sincerity of these people, but I would like to take the view that there is something that will not help the weaker economies here, and that a two-tier system does not appear to me to be a very desirable result. I am sorry to be the one who strikes a discordant note, but I will not be able to support this scheme.

**President.** — I call Mr Lahnstein.

**Mr Lahnstein, President-in-Office of the Council.** — (D) Mr President, I have come to speak on behalf of the Council without a prepared speech, since this was not possible owing to the difficult negotiations which are being conducted. I would therefore prefer — and I am also glad to do so — to explain the Council's views on some of the points raised in the debate.

## Lahnstein

I think that if we examine carefully the reports before us, we can see that in certain important questions there is a very welcome measure amount of agreement between the European Parliament and the Council. In the reports, as well as in everything that has been said so far, I have detected a clear preference for the only realistic way to European economic and monetary union, namely the way of gradual progress along very clearly defined lines, and I notice this particularly in what Lord Ardwick and Mr Pisani said. I can also state that, if we look at things objectively, we have either to a large extent already implemented the decisions taken by the European Council both last December and in Bremen, or are about to do so. What did this package decided on in December 1977 and then in Bremen — or in Copenhagen and Bremen to be precise — actually contain? It contained several linked elements, and this link still exists between the European monetary system on the one hand, accompanied by what has been given the working of concurrent studies and, on the other hand, the strongly emphasized need for improved convergence of economic data, accompanied by harmonization and coordination of economic policies, i.e. national policies, and backed — but powerfully and clearly backed — by action at Community level, action which must obviously also include the transfer of resources. This and nothing else was the philosophy behind it, and this can be seen clearly from a reading of the texts, especially the Bremen text.

If we now look back at the ground we have covered since then, we see first of all that the necessary convergence of common data, which was especially referred to in December 1977 and for which, with 1979 in mind, we had a very long struggle, seems to be progressing well. This applies to important key data in all Community countries, which gives us hope that in 1979 we will achieve at least a large part of the economic aims which we have set ourselves.

This applies particularly to growth in our countries, it applies to the marked improvement in the current account balances, it also applies to a certain — if not satisfactory — extent to price trends, and unfortunately it applies to only a very limited extent to developments on the labour market.

However, if we look more closely at this increased convergence of economic data, I would say that Mr Nyborg's criticism of the Commission seems to me — if he will forgive me for saying so — distinctly exaggerated. With its proposals for a multiannual programme, as well as short-term action, the Commission made it considerably easier for us to take the decisions we took in Bremen — or first in Copenhagen and then in Bremen — decisions which then formed the basis for further important decisions which, in

another context, were taken shortly afterwards in Bonn. The Commission feels that the data prove that its original concept was correct.

The road to the European monetary system, on which I should like to concentrate in my following remarks, has no doubt been rendered considerably easier by this convergence of economic data, since the Council also sees the necessary connection between monetary system, convergence of data and harmonization of policies in the same light as has emerged in all the reports and all the speeches this evening. In addition, there are some other factors which have so far smoothed the way for us in the discussion and, it is to be hoped, will also continue to smooth the way for us right up to the decisions on 4 and 5 December. I am referring to the international scene. In this context, the American President's determined support for a stable and strong dollar is a quite remarkable phenomenon. This cannot be stressed enough. I should like to take this opportunity of resolutely opposing those who felt they ought to accompany this very difficult move in American policy with spiteful and, in some cases, even factually incorrect comments. We are pleased about these measures and are also that European countries have demonstrated international solidarity in the difficult situation with which the West's key currency had to contend. It was never the intention of the governments, nor of the Council, nor, I hope, of any of us to set up the European monetary system as a sort of barrier to the dollar or leaving the dollar aside.

This system is and will continue to be designed as a system which, as an international antipole, is necessarily dependent on a strong dollar and a dynamic American economy. I stress the word dependent. However, it is also designed as a system which should enable us to bring our European weight into play in a rather more structured and clear-cut way. For this reason I am not quite sure whether Sir Brandon's subtle hint that the London capital market is undoubtedly thriving can actually be a politically relevant indication of whether to join the system or not. In any case, the Council is basing its preparatory work on the very assumption that this European monetary system should play its part even with the increasing steadiness and improved transparency of these international markets, for which the term 'European monetary markets' has become a very inadequate description. The experts have not yet thought of a new one.

I shall now deal with a few individual questions. On 20 November, which is Monday of next week, important negotiations are due to take place in the meeting of Finance Ministers. The fact is that some of the important questions which were referred to by some speakers in this House have not yet been finally settled and may not be until the next meeting of the European Council at the beginning of December in Brussels, and so I am sure you will understand that I cannot reply on behalf of the Council, at least not



## Lahnstein

conclusively, to views expressed on these questions. Neither can I reply to certain individual questions dealing with such sensitive topics that it is impossible to discuss them publicly either here or anywhere else. I would therefore ask you to forgive me — and I include Lord Ardwick in this — if I do not reply to questions about matters such as the initial parities with which we will join this system, or questions on details of the exchange rate system, procedures for changing the central rate or — the point raised by Mr Leonardi — dollar policy. If monetary policy ceases to be conducted with the necessary amount of discretion, we might as well bury it, but then there would be a risk of very serious monetary, economic and thus social consequences. Please forgive me, but I cannot deal with these points in any detail.

It was asked on what assumption we would be working. Mr Müller-Hermann specifically asked whether we would be working on the assumption that all the Member States would take part in the system. On this point the Council has received clear instructions from the European Council. It has to work on the assumption that all the Member States will participate in the system from the outset. The Bremen meeting was based on this assumption, and the Council will also have to base itself on it until proof of the contrary. However, we must realize two things. Firstly, each government will of course have to take its own responsible and sovereign decision as to whether it finally wishes to join or not on the terms negotiated in Brussels and Luxembourg. All I am saying is that our assumption is clear. Secondly, I have said from the outset, Mr Müller-Hermann, that the Bremen communiqué already provides — particularly for what we like to call 'floating' currencies — for certain special terms to be obtained over a given period, and as an example of this the communiqué refers to wider margins. It is no secret that we are dealing here in particular with ideas of the Italian Government, which in fact became public through statements made by the Prime Minister. These are points which we must take account of in our negotiations but which we must on no account confuse with permanent special terms or even with a two tier Europe. The Council naturally has no intention of aiming at this kind of development in the Community.

Thirdly, it must be said that — and to this extent ideas have become clearer since Bremen — we are making a much clearer distinction in today's debate between the initial and final phases. Everything we will be discussing and deciding on 20 November and on 4 and 5 December has to do with regulating the initial phase of the system, and therefore it is impossible to reply satisfactorily to certain questions, for example the question on the institutional character of the European Monetary Fund, since these questions relate to the final phase. However, we shall very soon — in any case we hope so — have an opportunity to discuss these matters as well, since all you need to do is draw up a simple calendar: if the transitional or

initial phase lasts two years, and preparations for the final phase are to be completed in time, we must not allow too much time to pass before starting to discuss the final phase. This is a simple calculation.

With regard to the technicalities of the system, we feel that in all the points raised in Bremen it will be possible to arrive at compromise decisions on all the important questions on 4 and 5 December. I should like to make a comment on this point. It should in fact be obvious that from various sides — and not only here in Parliament — diametrically opposed misgivings have been expressed over this European monetary system. Tremendous intellectual feats are performed and economic theories are mobilized so that the one side can prove that the system is bound to produce inflation. The other side, however, with the same intellectual effort and with the same eloquence demonstrates just as conclusively that the system will have a deflationary effect. That shows — and I apologize for the somewhat short reference — that approaching a monetary system intended as an instrument of economic and monetary policy with inflated theoretical claims and with scientific discipline is bound to lead nowhere, and the way in which this policy is planned will largely determine whether an answer can be given to the question of its effect in one direction or the other. By virtue of the way in which it is planned, the system is symmetrical; it has neither an inflationary nor a deflationary effect, but it is my personal impression that, more often than not, considerations of this type only serve as a front for straightforward opposing interests which seek to score points by using a scientific approach. That is nothing new.

As a member of the German Government, I should like, if I may, to address another personal remark to all the German Members of Parliament present. I must say that I was very impressed by the fact that some non-German Members of this House, and in fact from completely different political camps as well, laid particular emphasis on the special German responsibility which will have to be assured by the Federal Government and the Bundesbank, which in our country, in contrast to many others, is completely autonomous. This monetary system is not a German invention, as many statements during the debate seemed to suggest. It is a product of a Community effort by all the Heads of Government since Copenhagen, and please excuse me if I make a personal comment at this point. I was a little sad that some Members of this House feel that they have to view our share in this system, our interest in it and the right which we claim to join with others in deciding on European policy in the historical light of 1940, thus making it reminiscent of Dunkirk and the like. Quite frankly, this makes me a bit sad, but also wary. It is indeed true that it would be easy for misunderstandings to creep in here, misunderstandings which we can best counteract by the choice of our arguments and the clarity of our position. That is all I have to say from the German point of view.

**Lahnstein**

I should now like to say something about the ECU. Even in the initial phase the ECU will play an important role going far beyond that of — if I may put it like this — 'Monopoly' money, beyond that of the *numéraire* or beyond the basket system on which it may be based. It already looks as though the ECU will be important as a unit for transactions between central banks even in the initial phase of the system, and I therefore hope that there will be no misunderstanding on this point between Mr Zywietz and the Council. This role of the ECU is not an invention which has been thought up in the meantime — the role of the EMU, or the ECU, as we have become accustomed to calling it, was fixed as long ago as the Bremen summit with the full agreement of all the parties involved.

The credit system which was referred to is, of course, disputed. Not so much on account of its terms as on account of its size. But that is no secret either, and it is possibly one of the points which cannot be settled until nearer the end of the discussions. However, we can already foresee one thing: it will definitely be larger in scope than the present credit system. This applies even if the legal basis remains approximately the same, since we intend — at least this is the way the discussion seems to be going — to base the whole thing on the mechanisms which are already available to us.

I would say to Mr Leonardi that there must not, however, be any confusion over one thing, namely that this credit system is not going to solve the problem of the transfer of resources; that would be seriously confusing the issue. It is for this very reason that the Council places alongside the European monetary system not only the concurrent studies but also the many other efforts to set up Community projects, efforts which have already been referred to in this House by various speakers.

With regard to the concurrent studies, I can only refer to the present state of affairs. In fact, the Council has referred the relevant questions for examination to the Commission's Economic Policy Committee, which is due to submit its final report on Monday. It really would be premature to speculate on what the outcome will be, but we have reason to hope that the result may be positive.

However, I would like to permit myself a negative comment: one thing is stated fairly unambiguously in the Bremen communiqué, and if I may as an exception, Mr President, use a quotation to support my arguments, the Bremen text on concurrent studies states the following:

There will be concurrent studies of the action needed to be taken to strengthen the economies of the less prosperous member countries in the context of such a scheme.

'Such a scheme' means in the context of the European monetary system. Quite apart from the figures concerning net payers or net receivers which are

being bandied about in the press, which is a source which I am not so keen on quoting and do not take particularly seriously either, there is legitimate doubt as to whether demands such as that for a fundamental reorganization of the system of own revenue or a basic demand for reform of the agricultural policy — no matter how justified they may be in themselves — belong in the context of concurrent studies. It is perfectly possible to hold the view that a review of the Common Agricultural Policy or the development of the system of own revenue should be discussed in any case, irrespective of whether this EMS is being implemented or not.

One last reference to the Commission's specific proposals. We are impatient to hear what you have to say, Mr President, ladies and gentlemen, particularly with regard to the Commission's first proposal, since you will easily recognize that it is the basis for the actual exchange rate system, since it is through this first Commission proposal that the *numéraire* is to be created. We need the *numéraire* as soon as possible, because we must be able to launch this exchange rate system in such a way as to beat speculation, if you see what I mean. But we also need the second regulation very soon, since it is meant to ensure the gradual introduction of the ECU into the monetary system as a whole. We would therefore be very pleased if you would make it possible for us to take the necessary decisions before the end of this year.

**President.** — I call Mr Ryan.

**Mr Ryan.** — Mr President, I join other Members and thank the Minister for his lucid presentation of the Council's view. I would also like to compliment Lord Ardwick on his excellent report; his report, if I may say so, is a most readable, logical and well researched document, fully in keeping with other contributions we have had on this highly technical matter from Vice-President Ortoli and Mr Müller-Hermann and others. Lord Ardwick does something for which we should be particularly thankful: he strips economic and monetary matters of much of the jargon used by experts and politicians to conceal their own confusion or to confuse others. For that we thank him.

Amidst the hullabaloo that, I think, Mr Pisoni referred to today about the proposed monetary system, we should remember that there is nothing new in the idea of an agreement between nations to curb fluctuations and instability in currencies. The International Fund, the Bank for International Resettlement, the European 'Snake', as we know it, and so on are attempts to achieve the same goal as is now being set for the proposed EMS. But speculators in money, ordinary market forces and the vagaries of national economies have proved to be more powerful to date than the best-laid plans of the financial wizards and that is why we are now seeking a new instrument to help us in our difficulties. The most sophisticated built-in stabilizers have not prevented the world's

Ryan

financial ship from rolling. Nonetheless, it is necessary that we should pursue the search for a stabilizing system which can stifle turbulent speculation and provide equilibrium in the international monetary system. The difference between the proposed EMS and other systems of international monetary regulation is the stricter discipline now proposed; but it will not work unless the weak regions of the Community receive from the stronger regions massive financial aid as on insurance against any aggravation of economic difficulties. The strong-currency countries will benefit by the establishment of the EMS, and the price which they ought, and must pay for the benefits accruing to them is to contribute sufficient to a Regional Fund big enough to cope with the problems of the poorer areas of the Community. Unless they do so, the EMS will not survive. After all, it is the betterment of the living standards of the European people which is the *raison d'être* of the EMS. We cannot allow monetary perfection to be pursued to the detriment of people. We must not permit EMS to cause unemployment or budgetary difficulties or to bring about a reduction in trade for any country. It would be better to forget about the EMS if it were to bring about any of these unacceptable results in any of the member countries. If the European Monetary System goes ahead as proposed, nothing anywhere in the Community will be the same as it was. There will be significant changes in the economic relations of Member States, but the changes will be all the greater if any one or more States stay out while the rest go ahead. This would lead to wider divergencies in economic performance and well-being. It would create what a number of speakers have referred to, the two-tier Community, that very monster which has already been rejected by Parliament as an unacceptable form for the future development of the Community.

Until Mrs Ewing spoke, I thought that Ireland was in the oldest monetary snake in the world; but whether the Irish or the Scottish position is the older predicament, it doesn't very much matter. The Irish situation today is somewhat unique, and I would like briefly to refer to it. And a lot of what I say about Ireland will be equally applicable to the position of Italy and the United Kingdom in relation to the stronger economies of the Community. And anything I say in this regard — and I am sure my British friends will accept this will be said with a view only to economic problems and not to any past political differences.

Now as far as Ireland is concerned, participation in the European Monetary System will create problems; but these problems can be surmounted, provided that Ireland is given by the Community the means to overcome them. The Community will not be in a position to help unless Member States with hard currencies and strong economies provide the resources necessary to strengthen the Irish economy and support an independent Irish pound.

I know, Mr President, that there is a school of thought which says that because 50 % of its trade is with

Britain, Ireland has no option but to follow whatever Britain does. It is argued therefore that the other EEC partners need not concern themselves with Ireland. This, with the greatest of respect, is a wholly unacceptable argument, and I must reject it out of hand. If Ireland joins the European Monetary System in the event of Britain staying out, the difficulties will be less than those with which it will have to contend if it remains isolated with Britain outside the EMS and maintains a one-for-one relationship between the British pound and the Irish pound.

There seems to be agreement that the best way to achieve a zone of monetary and trading stability in Europe is for all the nine Member States to join. This is certainly a view with which I concur. But if the UK declines to join, Ireland must not be left by the rest of the EEC at the mercy of the erratic fortunes of sterling outside the EMS. That would be an unfriendly, indeed a cruel act. The Irish people gave a five-to-one vote in a referendum in favour of joining the EEC in order that Ireland might be released from the economic domination of its neighbour, the United Kingdom. EEC membership has enabled Ireland to diversify its economy and trade to make her less dependent on any one economy. It would be a step backwards now if Ireland were to be forced by a lack of sympathy on the part of the rest of the EEC to stay automatically linked with the British pound outside the EMS, when the value of the British pound, as well as the interest rates applying in England and therefore automatically in Ireland, are often determined by internal British politics or by international speculation in relation to the British pound, which has nothing whatsoever to do with Irish economic conditions.

I think therefore, and I say this with the greatest of respect, that the EEC has an obligation to help Ireland to free itself from economic domination from any one country in keeping with the legitimate aspirations of the Irish people. Economic dependence on one country in the past is to a large extent the cause of Ireland's comparatively undeveloped state. The dramatic growth of recent times is mainly based on trading with countries other than Britain, particularly European countries. If the UK stays out of the EMS and Europe fails to provide the means to enable Ireland to join the system independently of Britain, the people of small, economically weak and neutral Ireland will feel badly let down by the Community.

In deciding whether or not to join the EMS, each country should be able to decide its currency policy free from the domination of any other country which refuses to join the system. That fundamental freedom of choice will be denied to Ireland unless the Community undertakes to provide Ireland, within the EMS, with at least as much stability and immunity to speculation against Ireland's currency as would be available to Ireland by maintaining the existing link with sterling.

**Ryan**

At the root of a nation's decision as to whether or not to join a multinational economic and monetary union is whether or not the diminution of national pride and sovereignty involved results in economic advantage or loss. Having seen how a country's economic well-being has been damaged by the ruthless pursuit of political ambition in conflict with economic reality, as is happening in Ireland today, I am tempted to favour a European community system which would prevent any Member country from going economically mad. Whether wealthy or poor, Member States involved in a European Monetary System will have to assume obligations in return for the benefits. Economically stronger countries will have to transfer capital and other benefits to the poorer countries so as to reduce inequalities. Equally important, recipients of aid will have to apply all of the aid received to the reduction of budgetary deficits, the curbing of inflation, the elimination of trade deficits and the provision of permanent self-sustaining employment.

Above all strict measures will have to be taken to prevent governments abusing Community aid for the purpose of gaining temporary political advantage, irrespective of the long-term economic harm resulting. We must not expect a European Monetary System to save countries from their own follies. It would be economically impossible for the system to operate that way, and in any event it would be politically undesirable. We cannot contemplate the idea of the institutions of Europe controlling individual economies; that would conflict with the duties and rights of Member States. The EMS will work if, and only if, Member States behave sensibly in managing their domestic economies; it will fail if countries break economic laws and ignore economic realities. We must not, Mr President, allow the European Monetary System, when it is set up, to become like the International Monetary Fund, the whipping boy for politicians whose mismanagement of home economies obliges them in distress to seek the aid of international monetary institutions.

We have, as many speakers have remarked, been told little as yet about the way the new monetary system will function. Such information is obviously crucial to our decisions. I feel that too little attention is being given to the monetary problems which will be created by the accession of Greece, Spain and Portugal. What impact will their membership have on any EMS now brought into being, and vice versa? How do we see the possible association of non-Community States, such as Switzerland, Norway, Sweden and Austria, with a European Monetary System? What cash will be put into and kept flowing through the pipe-line from strong to weak Community countries to create the conditions necessary for a stable union and to create a society in which the burdens and advantages are

equally shared. I look forward, Mr President, to returning to this debate when these details are made known to us.

**President.** — I call Mr Porcu.

**Mr Porcu.** — (*F*) Mr President, ladies and gentlemen, the issue we are debating is of the greatest importance to the future of the construction of Europe. It is not a technical or scientific matter, but a political one. Consequently, we have to cut through the verbiage and examine the central issue involved. I feel I must mention here the question put by Mrs Melina Mercouri at the International Socialist Rally in Lille. She asked, 'Is yours a Europe of the poor or a Europe of the rich?' On behalf of the Socialist Group, Mr Pisani — a prominent member of the Socialist International — gave an unambiguous reply. His words of reassurance describing the need for European solidarity to put an end to unemployment now fall flat after the unqualified approval of the Bremen agreements which purport to take matters even further, for it is at the initiative of Messrs Valéry Giscard d'Estaing and Helmut Schmidt that EMU has been revived.

Under the cloak of monetary stabilization and consolidation of the Community, this fresh attempt would subordinate — and the denials of the German Minister of Finance cannot hide the fact — the economy of each of our countries to the will of the strongest of these countries, viz. the Federal Republic of Germany. Should EMU come about, it would aggravate the serious menace looming over the heads of hundreds of thousands of workers who are conspicuous by their absence from the addresses so far delivered by my fellow members. For each Member State of the Community the very undemocratic manner in which the decisions were taken by a concerted agreement at the top, unbeknown to the parliaments concerned which could not therefore debate and express their opinions on developments, betrays this menace. The French Parliament, for its part, will apparently not even be consulted before the meeting of the European Council of 5 and 6 December next. The press has drawn our attention to the fact that the Chancellor of the Exchequer of the United Kingdom Government has prepared a study, the conclusions of which highlight the adverse implications of EMU for his country's economy. This no doubt explains why the United Kingdom Government, shielding itself behind the decision taken by the Council of Ministers of the Community and invoking the confidential nature of this study, has refused to reveal its contents to Parliament.

What is behind this desire to stifle an open democratic debate on the plans for monetary integration? Yet again, the European Community is being used as the cat's paw to pander to the demands of the multinationals. For the French head of state, the point is to hitch the French franc to the West German mark in

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order to extend to the few industrial and financial groups which dominate our country the advantages of being linked to the power of the German currency. By hitching the parity of the franc to a strong currency, the mark, the French capitalists hope to export their capital abroad more easily.

This implies a speeding up of restructuring operations and all the concomitant disastrous consequences for my country's industry which is doomed to demolition by whole sections, a catastrophe which will send tens of thousands of workers to swell the already mighty ranks of the jobless and share the attendant moral and social distress. Mr Manfred Lahnstein, Secretary of State for Finance, tells us that European monetary integration will entail drawing up an overall policy the guidelines of which will be a function of the economic policy obligations tagged on to the aid granted to countries faced with balance of payments difficulties. Monetary integration means giving up a significant share of sovereignty and the weakening of monetary sovereignty entails the weakening of national sovereignty along the whole of the economic policy front.

Consequently, for the French Communists this project is quite unacceptable. It amounts to a new way of imposing a policy of austerity upon the workers. Those in my country, moreover, have already had a taste of all these anti-social measures, such as wage restraint cuts in budgetary expenditure and the clamp-down on social benefits, ostensibly as a way of bolstering currencies. The results are only too familiar: the franc plummets against the mark, a devaluation for which this policy is directly responsible and which entails serious consequences — both social and economic. It leads to a weakening of the economy of my country in relation to that of the Federal Republic of Germany. This process of weakening also affects the other Community countries. Only a few multinational companies stand to gain, e.g. those French-owned combines which today invest all over the world according to where their interests lie. This can only work to the detriment of the interests of our Member States and our populations and boils down to a battle of the giants in which the German combines are likely to come off best. Are we blind to the fact that her huge currency reserves and her consistent trade surplus with all the countries of Europe mean that Germany's assets will give her the position of banker? In dealings between creditor and debtor, we all know that it is the creditor who calls the tune.

This project for a European Monetary System entails a potentially dangerous relinquishment of sovereignty for the countries of the Community. But let us not forget, it might be argued, that this dominant position held by Germany thanks to her assets will be used to foster Europe's independence. Earlier we heard Mr Lahnstein tell us, in a nicely-phrased circumlocution, that monetary integration was not to be a barrier

against the dollar. Outside this Parliament, however, he informs a West German newspaper that the European Community should be able, thanks to the increased cohesion of exchange rate policies, to establish a bigger haven for loose dollars. The fact is that the new 'snake' offers no more resistance to the domination of the dollar than did the old one and provides it with a base in Europe. The new system is a prop to support the dollar with the aid of the mark which is all powerful in Europe.

The French Communists will have none of this policy for their country. What we want is to establish, while fully respecting the independence and the sovereignty of each country, is solid cooperation at the Community level to ward off the domination of the dollar and resist the machinations of the multinationals and, in particular, coordination in the field of exchange regulations and control of capital movements. Ladies and gentlemen, as a new member of this House, I have often heard mention of the need to uphold human rights and democratic principles. As I see it, we would do well not only not to lose sight of these principles, but also to take steps to see that they are extended to each individual and each parliament. For instance, when plans were being prepared to reorganize the iron and steel sector, the textiles industry and the shipyards, was the European Parliament consulted on the moves contemplated by the Community, the results of which we are all familiar with? No Community decision should be implemented against the will democratically expressed in each of the national parliaments. For a solid European construction, what we need is not secrecy, but democracy, more democracy in each country and throughout the Community.

**President.** — I call Mr Fitch.

**Mr Fitch.** — Mr President, I should like to join those members who have already spoken in congratulating Lord Ardwick, Mr Pisoni and Mr Stetter on their relevant, timely and very helpful reports. In my opinion, and of course this speech of mine is my personal view, there must be a European monetary stabilization scheme. The experiences of the last seven years with the quite dramatic fluctuations in currency lead me to no other conclusion. And if the economic policies of the Member States are to be integrated, then a common monetary policy is essential. In fact, I cannot visualize true economic integration, or shall I say full economic integration, without monetary union. As to the scheme proposed, it is one of which we know very little about in detail, and I am not complaining, but it does mean that it would be wrong of me anyhow to speculate on something which I know little about. But I see the European monetary scheme as the first step, if you like, to monetary union.

But that does not mean that it will necessarily lead to monetary union. I could liken it, I suppose, to a trial marriage, a pre-union get together. If things turn out to be successful, then I am sure that marriage will be consummated in the form of monetary union. If not,

## Fitch

well I would not like to hazard a guess. But Lord Ardwick's report has made very clear the definition of European Monetary Union. He talks of a single currency replacing the currencies of Member States, supported by the necessary economic and financial policies. That of course is a different thing from the proposed scheme which I hope we shall be discussing in a month or so's time. Lord Ardwick's definition is certainly not loose or ambiguous. It is a perfectly clear-cut statement.

I would like now, Mr President, in this short speech I am going to make, to say something about the attitude of the United Kingdom as I see it, and again of course, it is my personal view. I hope, unless the terms proposed are prohibitive, that the United Kingdom will join. I also hope that not too much notice will be taken by members of this Assembly of the obsessively anti-European attitudes taken up by one or two members of the British Government. They appear to come out against anything which is European, and in this case before they have fully considered it. But I have great faith in the British Prime Minister, a very courageous man, and I am sure that the report and the proposals will in fact be presented with objectivity, and the decision, at least as he sees it, will be right for the British people.

But we have, and this is, I think, an important point, the opportunity of joining the scheme at its creation, unlike the situation when we joined the EEC. We then joined an existing institution, and it certainly brought problems. The creation of an area of monetary stability in Europe should benefit the United Kingdom by creating a more stable financial climate for investment and trade in Western Europe, and in fact beyond. It will also help the anti-inflationary policies being pursued by the British Government. Western Europe has suffered more than the United States and Japan from world currency upheavals, and in Western Europe the United Kingdom has suffered more than any other country.

Now, of course, there are three views as to what we can do. I think we should go in. Others may think that perhaps we ought not to go in at the moment, but we should enter at a later stage. Others think that we ought not to go in under any circumstances. It is the second view that I want to comment on. I suppose it is true to say that it is relatively better than the third one, but we should have learnt from experiences of late entry into the Coal and Steel Community and into the EEC that the chance that we got then of being able to, as we termed it, renegotiate our way in, may not necessarily be open in the future. And we may in fact find ourselves for economic reasons and financial pressures compelled to join. And so I think it is very important that the United Kingdom enters this scheme at its inception in order that we can help to shape it. I think, as I said, to try

and negotiate at a later stage might in fact turn out to be too late. I hope therefore that this opportunity of coming together to create a scheme for monetary stability will be endorsed by all members and not missed by any of them.

Finally I would like to say that I agree with Mr Pisoni's remarks that unemployment and inflation in Britain would be helped with our membership, and I also agree with my Conservative opponent, when he said he hoped the Germans would not regard this enterprise as a victory. So do I.

**President.** — I call Mr Ellis.

**Mr Ellis.** — Mr President, in the few moments available to me I shall not be able to develop any meaningful argument. I shall therefore confine myself to trying to make a point which has been made previously, but which, I think, can certainly stand repeating. But before I do so, I would like to mention two other things.

First of all I would like to suggest a slogan for Mr Porcu's political party. Having listened to his speech with care, I cannot help but feel that a first-class slogan for their party would be 'Workers of the World defend your National Sovereignty'.

The second thing I would like to do is congratulate my friend, Lord Ardwick, on his report, and especially on his speech. I am sure all the reports were good, and I am sure the other rapporteurs will forgive me if I single out his speech. I thought it was a first-class effort, and like Mr Ryan I too was very pleased that he used language that was understandable to the intelligent European citizen — indeed even to the less intelligent European citizen, because I even understood it. In his speech he made an important point. He said that EMS is an immediate practically attainable goal whereas EMU is not. Of course he is absolutely right. EMU can be defined reasonably precisely whereas EMS, of course, can mean any one of a dozen things. We have had snakes and boa constrictors and tunnels. One can almost conceive of a fiddle-string, a kind of unilinear progression of the mono-currency that Sir Brandon was talking about. They are all EMSs and of course this brings out the very important point that none of us here, with the exception of the President-in-Office and the Vice-President of the Commission, really knows what he is talking about. We are not quite sure what the European Council has in mind — or what will emerge next January. I therefore thought that Lord Ardwick was absolutely right to devote a substantial part of his speech to spelling out the expectations created at Bremen. I want to emphasize that those expectations are very considerable indeed. We do not want some kind of — I hesitate to use the word gimmick because that would be insulting to some very serious minded and sincere politicians — mechanical readjustment of a technical nature. We are

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looking forward to a qualitative political leap, and a fairly substantial leap; not the whole way but quite a significant political leap. That was why I was rather surprised by the timescale chosen. It did seem to me when the communiqué was published that a six-months timescale did, on the face of it, appear rather short. This has nothing to do with the Dunkirk spirit or anything. It is a simple question of assessing the size of the task and the time needed to complete it.

Well of course the technicians had to go into the issue. I cannot help but feel that things then began to go wrong. There is a definition of a civil servant — though one which I think is a slander on an admirable body of men and women — as a man who has a difficulty for every solution. Of course this is precisely what has happened in the debates on how to give this political idea some kind of practical reality. And it seemed to me that that was quite obvious. Sir Brandon made the point — and I took him not to be speaking to Germany so much as to the President-in-Office, to want to achieve something in his six months. There would be a temptation to achieve some kind of clear-cut mechanical solution. We all know that in politics the really successful solutions are always full of anomalies, compromises and contradictions. At the end of the day those are the things that actually work. That is why I say that I thought Sir Brandon's words were very wise when he said that this kind of deadline (1 January) could possibly lead us a little bit astray by making do with something that is not up to the great expectations we have.

Just to add to it — I do not want to be too long, Mr President, stop me if I am too long, but I will be very brief — he made the point about the stampede of currencies in full flight and the the difficulty of stopping it with a fund however large. If there is a real political basis then I think one could argue quite legitimately that that in itself would be a substantial way of achieving it.

There is so much more I would have liked to have said, but I hope I have put this one point across, that the people of Europe are expecting something considerable. I must say I was very happy that when the President-in-Office spoke — he spoke in very difficult circumstances and discretion was needed — he did so with an assurance about certain things that I frankly had not anticipated. I do hope that his assurance will not be confounded.

**President.** — I call Mr Caro.

**Mr Caro.** — (F) Mr President, the short time available to me obliges me to shorten my speech. As members of this family of Europeans who have from the start struggled to promote Europe, we have only one fundamental statement to make — to salute the exemplary initiative taken by President Valéry Giscard

d'Estaing and by Chancellor Helmut Schmidt to which all their colleagues are invited to associate themselves so as to make Europe take a step forward.

Some of us may have comments to make on technical or legal aspects, but this is an exceptional moment. We have to associate the peoples of Europe with our work for European integration. We often hear it said that the people, our electors, those who are not familiar with European problems have difficulty in understanding the technical aspects of our debates. And our governments are now offering them a way of focusing their attention on a very clear and straightforward subject — a wider identity, a wider community of interests and action. The very term ECU fires the imagination. It does not behove us here to slow down or belittle such an operation, but on the contrary to offer it our support.

When we speak of monetary stability, the term which means more to the monetary experts, economists and other specialists involved in fairly complex discussions, we know that in the long run it means economic security and security of employment — the aim which we all pursue through a strengthening of the position of our various currencies. What is involved is a pooling of our reserves — an essential political act — and we know that tomorrow we shall tell the electors that we cannot allow such power to be exercised at European level unless it is subject to democratic control. And the only democratic control is that of the electors, in other words that which will be transferred to the Parliament elected by universal suffrage in June 1979. These future European electors must have confidence in this Parliament whose task it will be to promote our unity and they must not see in it the increasingly controversial image of our national parliaments where we often manage to complicate things rather than allow a political will to emerge. And I think that this political will is the most important step towards European integration.

Mr Pisani made a speech just now which I could have made and which I fully endorse. I hope that in the action which the European Parliament is taking alongside the Commission and governments, it will provide the backing and the support necessary to our peoples.

**President.** — I call Mr Laurain.

**Mr Laurain.** — (F) On behalf of the French Socialists, I should like to introduce into the debate a draft amendment. I thank you, Mr President, for allowing me to do so, for it is not entirely in accordance with our procedure. I learnt just now that tomorrow we are going to vote on the whole motion for a resolution *en bloc*. This is therefore the only time when I can put forward this amendment which was proposed in the European Socialist Group and defeated by a very small margin. The amendment represents the original position of the French Socialists in this debate.

**Laurain**

We start from the idea that the French Socialist Party has written into its statutes a break with the capitalist system. For us this is clear and unequivocal, and we cannot support a monetary union which would only reinforce the international capitalist system. In this spirit, we propose that the text of Article 7 of the motion for a resolution :

points out that the reduction of regional and social disparities will be made considerably easier by a high rate of economic growth.

be preceded by

considers that the European monetary system cannot have the aim or effect of giving a second wind to a capitalism which is contrary to the interest of the workers, that in this perspective and to ensure the reduction of regional and social disparities, the setting up of the European monetary system must be accompanied by a higher rate of economic growth, etc.

**President.** — I call Mr Ortoli.

**Mr Ortoli, Vice-President of the Commission.** — (F) Mr President, I should first of all like to congratulate the three rapporteurs on their reports. The task before me is a rather difficult one because, as has been stressed many times by previous speakers, this debate is concerned not only with the economic situation in 1979 but also with the European Monetary System and the much longer-term prospects of European Economic and Monetary Union. It is regrettable, because I shall have to limit my remarks on reports which would have merited a wider debate and I shall not be able to give a longer and more detailed reply on behalf of the Commission.

I shall respect the order of priorities and refer first to Mr Stetter's report and his remarks on the difficulties encountered by Parliament in formulating a satisfactory opinion. I should like to say in this regard that the report which we are placing before you is not the weak inadequate thing it has been represented to be. It is true that the report is more concise than in previous years, but, given the economic situation, its preparation required a considerable amount of work. Contrary to what is suggested in the motion for a resolution, it is not a combination of national policies and of vague remarks thrown into the debate. On the contrary, it is the result of months of work carried out together to achieve a joint aim, work which culminated in the Bremen meeting in July and which — and this is an important consideration at a time when we are discussing the European Monetary System — provided the basis for an extra effort to ensure planned growth within the Community. I regret therefore that the report is concise, that it contains decisions already accepted by the Council, but I am glad that those decisions relating to growth were in fact taken and that they are to a large extent the result of Commission action or proposals. It is nonetheless true that there is a problem which we have already discussed with the rapporteur and the chairman of

your committee; our calendars and our work schedules should be better coordinated in order that Parliament, either in committee or in full session, should be effectively associated with the work we undertake at the time when decisions are taken and not after the event. This will not be easy to achieve, although I would make the point that we did propose to you the application of the decision on convergence within the required time-limit. However, I am quite ready to comply with your request and to seek with the Committee some form of cooperation which satisfies Parliament's legitimate aspirations.

I shall not go into the economic prospects in detail since it is already late and they have been referred to in our report. However, though the report which we presented did not go into great detail about economic prospects, we have made a considerable effort, as the rapporteur pointed out, to provide with it a much wider-ranging survey covering European economic developments since 1973 and giving an analysis and figures which were not until now available to governments or parliaments. I believe that Parliament should acknowledge and show its approval of the effort which we have made to present a comprehensive balance sheet which is, I hope, both original and complete.

I should also have liked to say something to allay the uneasiness which the committee has expressed about the likelihood of a resumption or improvement in growth or its fear, on the other hand, that the growth rate may increase too quickly. That is something which we will doubtless have an opportunity to discuss in committee. With your permission, I shall confine myself to one or two problems which were referred to in the rapporteur's oral presentation, in particular the subject of inflation. I too regret that the inflation prospects in 1979, while not critical, are no better than those for 1978. I regret it, because an average rate of inflation in the Community of 6.9 or 7% is still much too high. I regret it because the fight against inflation is one of the imperatives — not only economic but social too — of the Community. However, I should also like to point out, as we state in our programme, that this is no reason for putting a brake on the efforts made to restore the situation in countries with too high a rate of inflation, nor does it justify an overly pessimistic attitude insofar as part of the increase in the inflation rate is due to rises in the cost of imported goods which are automatically reflected in our own prices.

There are certain developments which do not depend on trends within the Community and this explains why the prospects for 1979 are less satisfactory than we would have hoped. Throughout the year, therefore, and when drafting our next set of guidelines, we shall have to pay particular attention to this serious problem. I had expected that there would be separate debates on each of the reports and I had prepared fuller answers to other points that have been raised but, with your permission, I shall be more brief. I



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should, however, like to say a few words about the question of aid. We too are quite convinced that it is possible to provide aid in a way which is compatible with improved growth, improved competition and with market protection, in the favourable sense of the term, that is, protection of a free market. That is the philosophy of the Commission, as we have made clear in the past. In future months we shall have an opportunity to show that, while we agree with aid where it is necessary, it must be properly controlled and must be consistent with our general purpose, which is not to be seen as a narrow-minded attitude to aid; our aim in fact is to agree to aid only when it effectively serves the major economic objective of growth without inflation and of competition in a genuinely free market.

I will say a few words in answer to your rapporteur, Mr Pisani. The reasons for respecting 1 January 1979 as the starting date of the European Monetary System have been fully stated and, as Mr Lahnstein said, we are still working towards that end. The Commission felt that we should place before you the small number of points which call a decision in the form of a regulation, the nature and limitations of which we clearly understand points which put naturally into a well-known framework — that of Bremen — while at the same time providing you with any information you require on the progress we have made so far. I should also like to thank the Committee for appreciating our position, even if, in its generally favourable opinion, it merely noted rather than acknowledged in detail the validity of each of the points mentioned by us.

In this regard, I should like to point out to Mr Ellis, who defended civil servants and government departments, that it is quite remarkable that such an imposing task should have been accomplished so quickly. The task was so imposing because it was not merely a question of creating a system of intervention relying on credits but rather of creating a real monetary system capable of further development, and of fitting it into an overall economic policy. I think it was in that connection that you said that you had been reassured by Mr Lahnstein's remarks; I feel that we must acknowledge that this very difficult task, which took several months, was completed in record time and shows a grasp, not only of the host of subsidiary details, but also of the general policy line, an achievement which I find quite remarkable — and I have some experience of such matters. I would therefore ask you not to consider these modest regulations as mere details; they are, on the contrary, essential to the overall structure. However, it is clearly necessary to consider the whole mechanism, with whose restraints you are familiar (I will refer to that point later): convergence of economic action in order to ensure that the undertaking is on a sound footing and to guarantee optimum growth, this of course being one of the objectives of the system; symmetry of contributions from the various participants, since this

system must be totally fair (this is one of the ideas behind the sharing of burdens which has been mentioned); and finally, a guarantee of all necessary flexibility for the undertaking by means of credit and a coherent pattern of flexible exchange rates. Many other details are much better known, thanks to the press, as you have said, but thanks also to the Bremen statements and to the statements which were later made to Parliamentary committees, and to Parliament too, where this problem has been discussed on two or three occasions. The details are therefore quite well known and this should rule out any possibility of general policy on the system being misunderstood when an opinion of the type you are about to deliver is being debated.

In answer to Mr Pisani's question 'Why use a regulation based on Article 235?', I would say that the establishment of a monetary cooperation zone between Member States is now necessary if the Community is satisfactorily to fulfil its mission, which is to promote a harmonious development of economic activities, a continuous and balanced expansion and an increase in stability. It is necessary if we are to consolidate the Common Market. Those are the objectives of the Treaty. However, that same Treaty makes no provision — this is the case at least for some of the activities we shall have to undertake — for the powers required to set up the mechanism which it was envisaged in Bremen would serve as a basis for common monetary action. Thus, we have a regulation dating from 1973 setting up the EMCF, a regulation to which we are now adding and which is itself based on Article 235, but which does not allow for the lodging of monetary reserves or the issue of ECUs against such reserves.

This action is required in order to achieve one of the objectives of the Community, but the Treaty makes no provision for the necessary powers, as can be seen from Article 235. I would add that the principle of a Community exchange system is recognized.

We therefore have two texts. The first, as Mr Lahnstein has pointed out, establishes the unit of account and the ECU in the form which we are to use, a form which it would have been necessary to select in any case, since our old unit of account no longer conforms to our needs, nor to reality, nor even to the requirements of the international monetary system, since the old unit of account is based on gold. We have, moreover, forwarded this text without consulting you since it comes within the normal competence of the Council. We have a second text which deals with reserves. These two texts, I repeat, provide an adequate basis for any necessary extension of the general operational mechanisms.

Second question. What was meant by 'receiving reserves' and what is the situation regarding transfers of resources? Initially, and throughout the transitory phase, there will be no transfers from the reserves placed at the disposal of the EMCF.

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It is clear that this is one of the objectives; it is also clear that, at the present stage, we cannot guarantee that it will be achieved and that, consequently, the initial priority is to place at the disposal of the EMCF gold and dollars the value of which — and this is an answer to one of your questions — would in principle be stated in ECUs (the technical mechanisms are still being worked on); for the dollar, the market rate would obviously be used; for gold, a price based on the market rate, although we would have no intention of recreating an official price for gold according to a percentage of reserves of the order of 20 %, as you know.

The wording of the draft regulation 'to receive monetary reserves' was selected to enable such reserves to be set aside during the transitory phase without prejudice to the legal form used for the operation; they can be referred to as deposits, securities or swaps.

There you have my answers to three of the most important questions which have been asked and I should like to add that we are not pulling back from the Bremen position in proposing this text. The Bremen outline did make provision for a transitory phase, a phase during which the monetary system will be defined and established in its entirety. And, if I may say so, we were right to proceed along these lines for, given a system which is as well constructed as possible, we shall be able to judge, with the passage of time, what definitive form our joint action should take and this will involve a much deeper feeling of commitment. We are in an evolving situation which we have entered at its starting point and which I hope we shall bring to its conclusion. You asked me a final question: suppose all the countries do not join? That is a topic which we could discuss for a very long time; it has been raised quite often in this Assembly and has been a source of much concern. I can tell you that the Commission shares this concern. It would like all the member countries to participate in what is a genuine Community system. It therefore hopes that those who observe our efforts will be able to say: 'Yes, that is a system which provides the best possible guarantees'. For, as you know, there will never be a set of mechanisms which are so safe that they will solve all the problems in advance. What we are trying to create is a foundation for all the mechanisms — not merely monetary — which we are planning to set up and which will enable each country to make the free decision referred to by Mr Lahnstein as to whether or not it will join the system — and hope that the answer will be yes.

Our aim, however, is to set up a Community system with the cooperation of all and it is to that end that we are working. I cannot imagine that, when the system becomes operative on 1 January, our aim will be any different.

I now come to Lord Ardwick's report and I am sorry that I cannot devote more time to it because it is in many respects an admirable document. It contains

both the history and the philosophy of the movement towards European Monetary Union. It discusses the revival which is currently taking place. It contains an excellent analysis dealing with the economic objectives, methods — in the genuine and not the bureaucratic sense — and the political dimension of the movement — that is, the development of a union destined to restore our economy and increase its growth. It embodies a personal commitment to which one cannot feel indifferent.

I should also like to draw attention to the importance of the resolution which we have been asked to consider. As is clear from the report, the resolution corresponds to both the basic thinking and the line of conduct which the Commission proposed in its communication to the Council of Ministers and in its proposals for action since last December. I should have liked to comment on it in greater detail but I shall limit myself to the following remarks. First of all — and this is also an answer to Mr Pisani speaking on behalf of his group — it is indeed true that economic and monetary union must be the necessary framework for a united Europe. I do not intend to launch out on a grand political debate. I am thinking rather of economic and social forces, of a continent aiming for European union. It is my conviction, and you have heard me express it here on many occasions, that immediate progress and gradual but persistent advance are necessary, not only to further the prospects of building that framework and creating a European union but also — and this I think is self-evident — in order to safeguard the Common Market.

There is much more I could say on this point and Mr Leonardi has also referred to it. We have to find a solution to our economic problems and in our search for such a solution we must intensify the efforts made at national level and realize that our interdependence is a source of both problems and remedies. The problems of interdependence must be tackled by joint action. We must not be afraid to use all our energy in dealing with these problems; there is no reason why we should appear as anything other than what we are — the second economic power in the world.

We have been reminded of the importance of stability. It is an effective argument both for the establishment of the monetary system and for the various actions which we have proposed. There is an obvious link between this strong economic and monetary framework seen against a time-scale of some years and the actions which we are proposing today.

The proposals will inevitably involve a number of changes. The development of the monetary system — in answer to the very clear question put by Lord Ardwick — does not invalidate the conclusions we have reached in other areas. Economic and monetary initiatives are mutually helpful, not harmful.

The overall programme which we have put forward has its own logic in which the monetary initiative has a role, even a central role, because it is necessary and

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because, in so far as it involves us in reciprocal obligations, it requires us to consider other general problems and to harmonize our actions with a view to producing an overall strategy.

This in no way detracts from the programme which we defined. We are not casting aside the proposals we made in our five-year programme. We shall continue along the same path, hence the importance of convergence. If the monetary system is to last, the currencies must be founded on consistent and convergent economic results. Here we have the central problem of inflation to which I shall return later, but also the problem of optimum growth. We are not, therefore, casting aside the proposals we have made elsewhere in relation to convergence. I feel sure that the next meeting of the Council will give serious thought to the topic of convergence, and not merely to its monetary aspect. For our part, we shall continue to support the proposals we have put forward. I should like to remind you that we have asked that the different policies be examined in order to determine what effect the actions of each country will have on the overall design or in what way they will benefit from the initiatives of other countries.

We have asked for a better analysis of the combined effect at Community level of a group of national decisions. We have asked for convergence in clearly defined areas: budgetary policy, extension of our work to include the question of balances and the problems of the public sector in general and not merely government budgets, monetary policy, interest rates and money supply.

Much more could be said on these subjects which lie at the root of real, and not merely verbal, convergence.

Lord Ardwick put some questions on the monetary system itself and its links with the economy. You will not be surprised to know that I cannot yet give an answer to the rather naughty question on the difference between the future system and the snake. I cannot answer such a question fully or with certainty. However, we can already see a certain number of features which will distinguish the present system from the snake. First of all, there is the fact that action will be not merely of a monetary nature, that we reject the idea that stability can be achieved by means, mainly, of a system of intervention and credits. Our efforts will be directed towards integrated currencies and joint monetary action, both as part of a marked convergence of policies and as part of perpetual joint action. It is therefore not without significance that the Bremen meeting, on the same day, was the setting for joint action and launched the idea of a new European Monetary System. We shall be basing our efforts not on random monetary phenomena but on consciously planned action.

The second difference is of some significance — the appropriations will be larger and for a longer period. As a result, the system will be better able to react

against the activities of currency speculators and it will also be more convincing and, in a way, better able to defend itself.

The third difference is that a divergence indicator will be incorporated into the system. We do not yet know how this indicator will work. You know of course that we are considering the question. What we can say is that, instead of relying on purely automatic responses, the indicator will draw attention to the underlying causes of any imbalance between currencies and suggest the most appropriate methods to correct that imbalance. These methods are much more complex than intervention, and even as a form of intervention, they are more complex than marginal intervention. It is also possible that provision might be made for much wider powers than those used today since inevitably it will be possible to take advantage of intervention mechanisms, the flexibility of the system with regard to exchange rates, internal monetary measures or economic measures.

It is clear from all these factors that, not only will the mechanisms be different — since they will be much more complete and, I would say, much more complex — but, in addition, the climate and the technical scenario will also be different. We will be much less concerned with purely monetary considerations and much more with integrated economic and monetary measures.

The difference between snake and non-snake could be debated for years. I am sure that the features which the new system process in the process of acquiring are very different from those attributed — sometimes in a rather hostile way, moreover, and with a certain degree of injustice — to the snake as it has functioned latterly. This means, Lord Ardwick, that we are not now choosing between stability and unemployment, or more precisely, that we reject unemployment because we want stability. There is no contradiction in aiming for both these objectives. You yourself said, quite rightly, that inflation destroys employment and I should like to remind all those present that, with or without a European Monetary System, no one in any country or in any government will be relieved of their duty of fighting vigorously, and if I may say so, courageously, against inflation. This is therefore the kind of artificial debate in which I have no inclination to participate. I am not saying that the fight against inflation is the alpha and the omega of economic policy. It is quite clear from what I have said that that is not my attitude, but there is absolutely no doubt in my mind that everyone should be involved in this struggle and that any such problems which do arise will not be due to the monetary system.

That is why I believe that the system should in fact be neither inflationist — this is the keystone of all our economic measures — nor deflationist. From what I have said it is clear that we have recognized at this preparatory stage that that is one of the objectives

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which we must pursue. The aim should be to ensure both that the system does not encourage inflation and that it does not involve a greater degree of stringency than is actually required by the economic situation in the different countries. It is a policy with wide implications. As I have explained, it has led us to integrate complex mechanisms in order to achieve what I have referred to here as the culmination of the system, i.e. not its monetary goals but the achievement of an optimum level of growth without inflation. I am sure, as Lord Ardwick so rightly said, that we must not let ourselves be involved in semantic disputes or in half-truths. However, it is a practical application of policy to us to show our single-minded concern for development, and development in conditions which not only effectively guarantee success in combating inflation and deflation but also aim at greater stability and increased growth.

Here also it is not enough to think in terms of mechanisms. We shall have to — I spoke just now of the foundation for our actions and then of the combination of everyday reality and a political will — we shall have to breathe life into this system, drawing inspiration from this idea. For my part, I am quite sure that the mechanisms which we set up will give us basic guarantees that this type of objective can be achieved. We shall have to have courage, ingenuity and tenacity to ensure that it is achieved. We have to escape from the dilemma of inflation on the one hand and deflation on the other. I believe that that is where we can bring about an improvement. I would ask you to consider how we can avoid the system adding to the problem. Let us see in what way it can prevent the problem arising in individual undertakings or at national level. Different rates of inflation! I won't labour the point. What I have said shows clearly that the system will have the necessary degree of flexibility, that it will not rely solely on monetary mechanisms. The primary responsibility will lie with each Member State, but Community aid will be available to ensure the success of this necessary action.

With your permission I shall now deal with the questions I have been asked about the accompanying measures. Here again I should like to challenge what has been said about the concurrent studies. I hope you will excuse me if I say, quite frankly, that the main thing for me is a very reliable monetary system together with a very sound economic policy and a very high degree of convergence. If our concurrent studies lead us to the conclusion that this joint economic action is the most important of the accompanying measures — because it immediately results in better growth and a reduction in unemployment — we shall have taken a step towards a clearer understanding of the problem and shall perhaps have taken some of the heat out of the debate on this question. At this late hour I am no more inclined than Mr Lahnstein to start on a new debate on all the problems facing the Community on the occasion of the establishment of the monetary system. I shall not do so. I

shall refrain from pointing out that there are many different ways of calculating budgetary contributions. We have already referred to this point. There is a statutory form of calculation but a calculation of actual contributions, of the burden borne by each Member State, would give surprising results. I feel it is unnecessary to point out that there is a compensatory mechanism which operates if a State has to pay a contribution which is excessive in relation to its gross national product and that the effect of this mechanism is considerable since, once a certain average is exceeded, the supplementary contribution at the higher levels can be as much as 100 %. I shall not go into this question because it would take much too long, but I am convinced that we must continue to encourage development. That has always been the attitude adopted by the Commission towards regional and social measures. We have had some comments to make on own resources but the emphasis has been on what I consider to be the essential policy which is to reinforce structures. I cannot say what tomorrow will bring, but I can say, on behalf of the Commission, that that has been our aim and, indeed, at your last meeting you agreed to the financial measures — intended to encourage investment, as Sir Brandon Rhys Williams wants — which the Commission had proposed. Very recently we doubled the capital of the bank, the main purpose being to increase the resources at its disposal for the encouragement of regional development. You must not forget that that is its main function. We are also considering in what way the structure of the less prosperous countries can be strengthened.

Similarly, it has been part of our thinking that the monetary system should be supported through our concerted action. I would say to Mr Pisani that what is happening is not that it has been decided to give a boost to the economy from 1 January but quite simply that the Bremen decisions are being applied — this is happening already in Germany — and that their effect will begin to be felt in most of our countries as from that date. That, Mr President, is an early response to your request. I think it is very important.

Finally, here are my answers to some specific questions.

I think I have shown, Mr Pisani, that our intentions and our actions fit into an overall perspective or plan, meaning a definition of aims, the path taken to achieve them, the setting of target dates, the development of medium-term programmes to provide a framework for evolving structures, a clearer guide to what the future will bring and an indication of possible improvements to which we could contribute. I think that the Commission's attitude is very close to your own. I fully agree with the concept which I referred to in other circumstances, at a meeting of the Council of Ministers in Luxembourg, as the 'solidarity-discipline tandem' — Mr Müller-Hermann, and yourself too, referred to the same idea, but not in those terms. I am

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certain that when the strong and the less strong cooperate on difficult but mutually advantageous projects, solidarity is a key factor. However, I am certain also, as you have all said, that solidarity is no empty gesture, that it is not merely a rather sentimental kind of moral obligation. Solidarity should be shown in relation to jointly agreed aims and should encourage activities which I would describe as deserving, activities in keeping with a common purpose. It seems to me to be an essential ingredient of the system and I am convinced that the system as a whole will benefit if your efforts are marked by such solidarity.

I shall not answer those who have spoken at length on points of procedure and who have accused the Commission of not doing its job. I have attended meetings of your committees, ready to answer your questions, as have my collaborators. Mr Jenkins has done likewise. We meet regularly. It is now my custom to make approximately one speech a month to this Assembly, when you can put your questions to me. I do not believe we can be accused of not wanting to cooperate.

I do not accept therefore that there is any substance in the suggestion that we are trying to rush matters. The Bremen communiqué and the aims we have set ourselves were the result of much thought. This is no secret and we have had several debates on this subject. Of course we know that we are faced with the awesome task of submitting a report at the end of the quarter so that the Council of Ministers may hand down a decision at the beginning, or rather the middle of the following quarter. Let us not confuse carelessness with urgency. Sometimes matters are urgent. And your rapporteur knows that I sent him certain documents, very important documents in my opinion, before the annual report was even adopted by the Commission. And please do not use Lord Ardwick's report as grounds for criticism. I pressed for a debate on it at the earliest opportunity. I put the idea of a debate to the committee on several occasions. We discussed it again in Rome in May. So then, please let each of us attend to his own affairs, as the chairman of the committee very aptly said just now, and let us spare each other futile reproaches. We have better things to do together, which I am very willing to undertake.

I shall be brief in my answer to Sir Brandon Rhys Williams. Mr Lahnstein has already referred to a certain number of ideas raised with regard to the general problem of capital. In my view, the analysis which you presented is in many ways an excellent one, which is nothing less than I expected. On one point I entirely share your view, irrespective of the general problem of concurrent studies. That point is the need, which affects us all, for a much higher rate of investment and consequently for a planning effort to ensure an increase in constructive investment in our economies and the provision of the maximum amount of carefully channelled capital for different public sectors, if necessary abandoning certain

projects in favour of others which allow us to boost the economy. The European infrastructure plan to which you referred is an idea which I myself launched more than a year ago because I was convinced that it was a project which should be pursued both at European level and with a view to the overall realization of a number of aims.

I shall not answer Mr Leonardi in detail. I have already referred to a number of the questions which he asked.

Mr Porcu spoke of cutting through the verbiage obscuring the central issue. I shall not discuss the ideas he put forward. I do not believe that our motivation is as he describes it nor do I believe that the mechanisms we will use will have the effect he fears. I have made it clear, I think, that our motivation is quite different. We are not obsessed by monetarism, by the idea of marginal intervention by the central banks. However, we do realise, as one speaker has said, that many things are interconnected: economic, monetary and social considerations, and we are trying to devise a global policy which takes advantage of the existence of the Community. I do not wish to present the problems in terms of sovereignty. The good deed which we can perform is, as it were, to provide a spur, or a complement to sovereignty. A discussion on this topic could go on indefinitely. However, I assure you — and this is not the first time I have made such a statement to this Parliament — that my motivation stems from a deeply felt attachment to the concept of Europe and you will therefore appreciate that I cannot share your views.

It is time I concluded. I would like us to recognize the final objective of the system as I have described it. We must not lose sight of the inspiration of Copenhagen and Bremen. We must show that this integrated approach, with its inspiration and its mechanisms, is the right one for us to follow. Our aim is to ensure that the mechanisms are as sturdy, as precise and as comprehensive as possible. In its practical application — which will be the acid test of the system — we shall be called upon to show management ability of a very high order and I am confident that we shall be able to do so. When I say we, I mean the Community, governments and Community authorities. For my part, I do not think that we shall have completed the project that we have undertaken before 1 January. We shall not have finished because we have said that there is another door to be opened by the creation of a real Monetary Fund and also because time will show that the outcome of this project, if it is well conducted, can be much more fruitful and we must therefore deploy a greater effort to ensure that that is the case. That is my own personal hope.

**President.** — I note that there are no more requests to speak. The motion for a resolution, together with the amendments which have been tabled, will be put to the vote at the beginning of tomorrow's sitting. The debate is closed.

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11. *Regulations on wine-growing potential*

**President.** — The next item is the report drawn up by Mr Pisoni (Doc. 451/78)

on the proposals from the Commission of the European Communities to the Council (Doc. 439/78) for

- I. a regulation amending for the second time Regulation (EEC) No 1162/76 on measures designed to adjust wine-growing potential to market requirements
- II. a regulation laying down measures to adjust wine-growing potential to market requirements in certain Community regions and amending Regulation (EEC) No 1163/76.

I call Mr Klinker.

**Mr Klinker, deputy rapporteur.** — (D) Mr President, we are concerned here with two proposals. The one refers to the granting of a conversion premium in the wine sector for certain wine grape or table grape varieties. The other lays down measures designed to adjust wine-growing potential to market requirements. The Committee on Agriculture holds the view that these two Commission proposals, which are transitional and of limited scope respectively, can be approved irrespective of what the Committee decides when it comes to examine the proposals as part of the action programme for the gradual stabilization of the wine market. This examination of the seven proposals will naturally take up rather more time.

The Committee on Agriculture will then state its position on this programme also; in the meantime, however, it recommends the European Parliament to adopt these two measures, which constitute technical adjustments to the provisions rather than fundamental innovations.

I could go into detail about the Cognac region etc., but you have read it in the report. Yes, Mr Lange, cognac will always stay the same. I therefore recommend that Parliament adopt this report by Mr Pisoni.

**President.** — I note there are no more requests to speak. The motion for a resolution will be put to the vote as it stands at the beginning of tomorrow's meeting.

The debate is closed.

12. *Agenda for next sitting*

**President.** — The next sitting will be held tomorrow, Friday, 17 November 1978, with the following agenda:

9.00 a.m.:

- Procedure without report
- Vote on the motions for resolutions contained in the reports on economic and monetary policy
- Spicer report on Cyprus wines
- Kennet report on certain types of fish
- Oral question without debate to the Commission on the Conference of Mediterranean states
- Damseaux report on combined road/rail carriage of goods
- Nyborg report on agricultural tractors (without debate)
- Nyborg report on the abolition of postal charges for consignments presented to customs (without debate)

*At the end of the sitting:*

- Voting time.

The sitting is closed.

(The sitting was closed at 8.35 p.m.)

## ANNEX

*Questions which could not be answered during Question Time, with written answers*

*Questions No 21, by Mr Kavanagh: postponed*

*Question No 22, by Mr Osborn*

Subject: Liberalising public purchasing policy in the Community in telecommunications and data processing equipment.

To what extent are Community and national bodies conforming with the Commission's directives liberalising public purchasing policy in the Community in telecommunications and data processing equipment, and are the industries involved satisfied that progress is being made in establishing an in-depth strengthening of the Community's industry against competition from the USA?

### *Answer*

With regard to telecommunications and data processing, Community and national bodies are not obliged to comply with the procedures laid down in the Council Directive of 21 December 1976 coordinating procedures for the award of public supply contracts (77/62/EEC). Under its Article 2, this Directive does not apply to public supply contracts awarded by public services which, without being contracting authorities, are engaged in telecommunications. In accordance with Article 6 (1) (h), contracting authorities may award their supply contracts without applying the procedures laid down in the Directive in the case of supply contracts for data processing equipment; there can no longer be recourse to this exception after 1 January 1981 other than by a decision of the Council taken on a proposal from the Commission to modify this date.

With regard to the competitiveness of the telecommunications and data processing sectors as compared with the American industry, it is necessary to distinguish between the two:

— The competitiveness of the telecommunications industry is at present normal. However, owing to the foreseeable changes in equipment, which will come to rely more and more on electronic components, this sector will be faced with new problems similar to those being experienced at the moment by the data processing industry. It therefore appears necessary to prepare the Community actions needed to maintain the competitiveness of this sector.

— The data processing industry is in a rather difficult situation. This sector is nowhere near achieving an in-dept recovery. Indeed, although the industry's considerable efforts had enabled it to adapt generally to the continuing growth of the sector, American competition remains at least as strong as in the past. Community support in the form of a four-year programme is still necessary.

With regard to the Community institutions, they are obliged to comply with the procedures laid down in the Financial Regulation applicable to the General Budget of the Communities of 21 December 1977. This Regulation does not provide for the publication in the Official Journal of invitations to tender, but work is in progress to bring the procedures followed by the Community institutions into line with those applicable under Directive 77/62/EEC (coordination of procedures for public supply contracts).

*Question No 23, by Mr Dondelinger: see Commission statement on the iron and steel industry*

*Question No 24, by Mr Ellis: postponed*

*Question No 27 by Mr Shaw*

Subject: Directive on the harmonisation of excise duties on alcohol

What action has been taken to date on the European Parliament's Opinion (Doc. 154/74)<sup>(1)</sup> on the proposal from the Commission of the European Communities for a Directive on the harmonisation of excise duties on alcohol<sup>(2)</sup>?

<sup>(1)</sup> OJ No C 48 of 25. 4. 1974, p. 8.

<sup>(2)</sup> OJ No C 43 of 29. 4. 1972, p. 25.

*Answer*

The opinion of the Parliament approved the Commission's proposal for harmonisation of the excises on alcohol, subject to two amendments. Parliament proposed first, to enlarge the exemptions in Article 7 to include alcohol used in the manufacture of confectionery and food products, and secondly to generalise and to make permanent certain temporary derogations which had been proposed by the Commission in Article 29, in relation to favoured tax treatment of small producers of alcohol. Mr Scarascia Mugnozza, Vice-President of the Commission, informed the Parliament during the session of 13 May 1974 (Annex No 176 to the Official Journal concerning sessions of the Parliament, 13-15 May 1974) that the Commission was unable to follow the proposal to exempt alcohol used in food and confectionery production. However, Mr Scarascia Mugnozza indicated that the Commission would modify its original proposals in relation to small producers in order to take into account, at least partly, the Parliament's opinion. An amendment was duly forwarded to the Council on 21 May 1974. This amendment provided that instead of abolition of the provisions for small producers within a period of two to five years from adoption of the Directive, the Council would be called on to decide, within a 5-year period, on measures necessary for their maintenance, suppression or application on a Community-wide basis.

On 27 July 1977 (COM (77) 338) the Commission forwarded to the Council a communication proposing the immediate resumption of discussions on the proposals to harmonise the excises on alcohol and beer, with a view to their adoption by 1 May 1978. The Council subsequently replied to this communication by resuming discussions in the working group concerned in February of 1978. The discussions have harmonised excise on wine. Those discussions are still continuing on a regular basis. The Commission is hopeful that the proposals under discussion will shortly be brought before Ministers for adoption.

*Question No 28, by Mr Brugha : postponed**Question No 29, by Mr Halvgaard*

Subject: Community stocks of skimmed milk powder. How large are the Community's stocks of skimmed milk powder and where are they located?

*Answer*

Following are the quantities in store at the end of the month October 1978:

Belgium	87 300 t
Denmark	28 400 t
Germany	537 400 t
France	32 900 t
Ireland	38 500 t
Italy	6 200 t
Luxembourg	6 000 t
Netherlands	53 500 t
United Kingdom	74 400 t
Total	864 600 t

*Question No 30 by Mr Howell*

Subject: Emergency Aid to East and South East England

Following the Commission's negative answer to my question on this subject in the first October part-session, has the Commission yet been informed by the British Government of how the 1 million EUA given by the Commission as emergency aid to East and South East England following the storms of 11 and 12 January 1978 have been allocated, and if not what action does the Commission intend to take to elicit this information?



*Answer*

As I wrote to the Hon. Member on 24 October, we have not yet received formal notification of the allocations. But the Interim Report which has been sent to us demonstrates that aid will go to those local authorities who have incurred exceptional expenditure beyond the threshold laid down for assistance by the United Kingdom Government.

I entirely share the Hon. Member's concern that this affair should be settled as soon as possible, and hope that the detailed information which the Commission has asked for will be available shortly.

*Question No 31 by Lord Castle*

Subject : Progress of the GATT negotiations

Will the Commission make a further statement on the progress of the GATT negotiations and what steps are they taking to obtain a continuation of the United States countervailing charges waiver after 3 January 1979 ?

*Answer*

The Commission regrets the failure of the US Congress to enact extension of the waiver on countervailing duties. In order to conclude the negotiations, uncertainty over the continuation of the waiver and imposition of countervailing duties after 3 January must be removed.

The Commission is pressing the US Administration for assurance that our exports will not be subject to countervailing duties after the expiry of the waiver. We have put this view most recently to Mr Strauss, the US Special Trade Representative when he was in Brussels on 9 November.

*Question No 32, by Mr Fellermaier*

Subject : Law of the Sea Conference

How does the Commission assess the present state of progress at the UN Law of the Sea Conference ?

*Answer*

Progress has been slow but this must be measured against the high ambitions of the Conference, whose aim is to cover much more ground than at the previous conference, which led to the adoption of the 1958 Geneva Conventions.

A considerable measure of consensus has already been achieved on a number of difficult issues, such as rules concerning maritime navigation, the principle of the creation of 200 mile economic zones, the extent of jurisdiction of coastal states, and the prevention of marine pollution. The major outstanding issue is conditions for the exploitation of the resources of the deep sea bed. I hope that the 8th session, which starts on 19 March 1979 in Geneva will make substantial and swift progress on this subject.

*Question No 33 by Mr Prescott*

Subject : UN Convention on the Law of the Sea

What is the Commission's view of reported plans by some Member States to pass legislation enabling deep sea mining operations in advance of agreement on a UN Convention on the Law of the Sea, thus jeopardizing the success of the UN conference ?

*Answer*

The Commission has had no official notification of legislation in the Parliaments of the Member States about deep sea mining. But this is a very important issue and the question of Community coordination is of great concern to us. We would, therefore study any proposals from the Member States with great care, especially those aspects which directly concerned the UN Convention of the Law of the Sea.

*Question No 35 by Mr L'Estrange*

Subject: Equal pay for men and women

In May of this year <sup>(1)</sup> the President of the Commission promised the House that he would be able to give a full analysis of the replies of the Member States to the questionnaire on equal pay for men and women. Is he now in a position to give us this analysis and what infringements and shortcomings in Member States have come to light?

*Answer*

The Commission has, on the basis of the replies received to its questionnaire on the state of application of the principle of equal pay for men and women, prepared the first working document which constitutes the draft report which the Commission must submit to the Council according to Art. 9 of Council Directive 75/117/EEC of 10 February 1975. This document has been submitted to the representatives of Governments and of social partners at a meeting of 'Special Group Article 119' held on 26 and 27 September 1978. This draft has been revised in the light of observations and amendments then presented. It will be adopted by the Commission and transmitted to the Council and to the European Parliament before the end of this year. This report which is quite a big one contains, notably, a detailed analysis of the incorporation into national law of the provisions contained in the abovementioned Directive. The Commission will, in its conclusions, highlight the shortcomings to the obligation imposed that it will have noted, and will, in consequence, initiate, pursuant to Art. 169 of the EEC Treaty, the necessary infringement procedures.

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<sup>(1)</sup> Sitting of 11 May 1978.

Annex No 230, P. 218 Question 17.

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IN THE CHAIR : MR MEINTZ

*Vice-President*

*(The sitting opened at 9 a.m.)*

**President.** — The sitting is open.

1. *Approval of the minutes*

**President.** — The minutes of proceedings of yesterday's sitting have been distributed.

Are there any comments?

The minutes of proceedings are approved.

2. *Documents received*

**President.** — I have received from Mr Bordu and Mr Sandri, on behalf of the Communist and Allies Group, a motion for a resolution, pursuant to Rule 25 of the Rules of Procedure, on violations of the liberties and basic rights of the citizens of Chile (Doc. 455/78), This motion for a resolution has been referred to the Political Affairs Committee.

3. *Texts of treaties forwarded by the Council*

**President.** — I have received from the Council certified true copies of the agreement in the form of an exchange of letters between the European Economic Community and Barbados, the Peoples' Republic of Guyana, Jamaica, the Republic of Kenya, the Democratic Republic of Madagascar, the Republic of Malawi, Mauritius, the Republic of Suriname, the Kingdom of Swaziland, the United Republic of Tanzania, Trinidad and Tobago and the Republic of Uganda, on the guaranteed prices for cane sugar for 1978-79.

4. *Procedure without report*

**President.** — On Monday, I announced the titles of those Commission proposals to which it was proposed to apply the *procedure without report* laid down in Rule 27A of the Rules of Procedure.

Since no Member has asked leave to speak and no amendments have been tabled to them, I declare these proposals approved by the European Parliament.

5. *Budgetary procedure*

**President.** — In accordance with the provisions of the budgetary procedure, the pre-report deadline for tabling amendments to the Council's modifications and proposals for outright rejection and the time-limit for the submission of opinions by the committees concerned to the committee responsible have been set at 5 p.m. on 28 November 1978.

The post-report deadline has been set at 6 p.m. on 12 December.

The budgetary debate will take place during the sitting of Tuesday, 12 December 1978, and the vote on the budget during that of Thursday, 14 December.

At its meeting of Thursday, 16 November, the enlarged Bureau agreed that the directly-elected Parliament should decide on the application of the provisions of Article 203 of the Treaty concerning the calculation of the majorities required for budgetary votes during the second reading.

Thus, we shall retain the same procedure as in the past for the budgetary vote to be held in December.

6. *Votes*

**President.** — The next item is the vote on three motions for resolutions on economic and monetary policy.

We shall begin with the motion for a resolution contained in the *report by Lord Ardwick (Doc. 437/78): Revival of economic and monetary union.*

I call Lord Ardwick.

**Lord Ardwick, rapporteur.** — Could I ask you for your guidance? Two amendments have been proposed to paragraph 6: one of them completely replaces paragraph 6, but is the last amendment we shall reach. Now I want to accept that amendment, and also Amendment No 3, which makes a minor addition to paragraph 6. Would it be possible to take Amendment No 6 before taking the other amendment?

**President.** — Of course, Lord Ardwick. That is, incidentally, the procedure I was intending to adopt.

I put the preamble to the vote.

The preamble is adopted.

On paragraphs 1 to 4, I have Amendment No 5, tabled by Mr Cunningham, Mrs Dunwoody, Lord Bruce, Lord Castle, Mr Hughes and Mr Prescott and replacing these paragraphs with the following text:

1. recognizes that monetary union may increase production and wealth in the Community as a whole; but that experience indicates that this benefit will not be distributed evenly between Member States;
2. points out that monetary union must operate to the disadvantage of any Member State which, after the initial fixing of exchange-rates, suffers a decline in its relative efficiency or a higher rate of inflation than the Community as a whole;
3. does not believe that the peoples of Member States yet display that degree of identification with the Community which would lead them to accept disadvantages for their own countries in return for benefits to the Community as a whole; and believes that such a sense of Community identification is a pre-requisite of monetary union and that it can only come about slowly;

**President**

4. is disturbed that the premature imposition of monetary union, even in provisional form, before the peoples of the Community are ready to accept the consequences for their particular countries will undermine confidence in democratic institutions.

What is the rapporteur's view?

**Lord Ardwick, rapporteur.** — Since this amendment is not in the name of the Socialist Group, as such, but of a number of members of that group, I am afraid I must ask that it be rejected.

**President.** — I put Amendment No 5 to the vote. Amendment No 5 is rejected.

I put paragraphs 1 to 4 to the vote.

Paragraphs 1 to 4 are adopted.

I put paragraph 5 to the vote.

Paragraph 5 is adopted.

On paragraph 6, I have the following two amendments:

- Amendment No 3, tabled by Mr Forni, Mr Cot and Mr Brégégère, on behalf of the Socialist Group:

After the phrase,

'in such a way that exchange-rate stability is encouraged by the improvement of credit mechanisms,'

add:

*'the fight against speculation, the restoration of equilibrium to the international monetary system'*

- Amendment No 6, tabled by Mr Starke, Mr Notenboom and Mr Müller-Hermann, on behalf of the Christian-Democratic Group (EPP), and rewording this paragraph as follows:

6. Stresses that for a European Monetary System to be workable and, more important still, to lead to economic and monetary union, it must be accompanied by immediate national and Community economic policies *oriented towards stability and growth and designed to further the convergence of Member states' economies with a reduction of regional and social disparities, above all by creating jobs in industries with a future*; this would require the European Monetary System to be organized in such a way that *it aims at the achievement of exchange rate stability through the improvement of credit mechanisms and transfers of resources within the Community as a means of promoting self-help, but also through accurately defined intervention provisions*;

What is the rapporteur's view?

**Lord Ardwick, rapporteur.** — I accept No 6, and I find the addition is quite acceptable to it.

**President.** — I put Amendment No 6 to the vote. Amendment No 6 is adopted.

I call Mr Klepsch.

**Mr Klepsch.** — (D) As far as Amendment No 3 is concerned, my group would be grateful if you could

agree to having a separate vote on the two parts of No 3. Two concepts are involved: first, combating monetary speculation and second, the restoration of equilibrium to the international monetary system. I must say quite candidly that we have not managed to establish what the second part is supposed to mean. For this reason I am quite willing to support the first part but have difficulties with the second, and I should be grateful if we could therefore vote on the two parts separately.

**President.** — I therefore have a request for separate votes on the two parts of Amendment No 3. I first put to the vote the phrase 'the fight against speculation'.

This part of Amendment No 3 is adopted.

I now put to the vote the phrase 'the restoration of equilibrium to the international monetary system'.

This part of Amendment No 3 is rejected.

On paragraph 7, I have Amendment No 2, tabled by Mr Forni, Mr Cot and Mr Brégégère and replacing this paragraph with the following text:

7. Considers that it should be neither the aim nor the effect of the European Monetary System to breathe new life into a capitalist system that is contrary to the interests of the workers; that, with this in mind and to ensure the reduction of regional and social disparities, the establishment of the EMS must be accompanied by a higher rate of economic growth and that such growth must be encouraged by ... (rest unchanged);

What is the rapporteur's view?

**Lord Ardwick, rapporteur.** — I must recommend the House not to vote for that.

**President.** — I put Amendment No 2 to the vote.

Amendment No 2 is rejected.

I put paragraph 7 to the vote.

Paragraph 7 is adopted.

After paragraph 7, I have Amendment No 4, tabled by Mr Forni, Mr Cot and Mr Brégégère, on behalf of the Socialist Group, and adding the following new paragraph:

- 7a. Rejects as unacceptable any explicit or implicit harmonization of the economic policies of the Member States if its only effect will be to establish a hierarchy of economic and social priorities contrary to full employment and the struggle against inequality;

What is the rapporteur's view?

**Lord Ardwick, rapporteur.** — It is acceptable, but it is rather rhetorical, and I don't think it adds anything to the spirit of the resolution, which is on the side of full employment, etc.

**President.** — I put Amendment No 4 to the vote.

Amendment No 4 is rejected.

I put paragraphs 8 to 10 to the vote.

Paragraphs 8 to 10 are adopted.

After paragraph 10, I have Amendment No 1, tabled by Mr Van der Gun, on behalf of the Committee on Social Affairs, Employment and Education, and inserting the following seven new paragraphs :

*Social aspects*

- 10(a) Is of the opinion that the EMU (EMS) to be established by the Governments must ultimately lead to a much more far-reaching alignment of the Member States' economic policy and that this alignment can only succeed if it is accompanied by greater economic convergence and a reduction in the regional and social disparities between the Community Member States and if it has the whole-hearted support of the Community's citizens ;
- 10(b) Is convinced that this will not be possible in the present social and economic situation if the plans for the EMU (EMS) are merely 'backed up by a social policy',<sup>1</sup> but only if the basic objective is recognized from the outset as an integrated economic, monetary and social policy ;
- 10(c) Notes that, in contrast to the first Commission document,<sup>2</sup> the new proposal<sup>3</sup> no longer treats social policy as entirely subordinate to the need for the smooth functioning of the economy but at least verbally acknowledges it to be of equal importance to, and an essential aspect of, economic policy ;
- 10(d) Nevertheless considers the package of suggestions put forward by the Commission in February 1978 to be too restricted and incoherent a basis for attaining the objective set out in paragraph 10(b) of this resolution, since they remain limited by the present legal, financial and budgetary structure of the social provisions of the EEC Treaty ;
- 10(e) Considers that the social component of the EMU (EMS) should be embodied in a long-term programme and that Article 235 of the EEC Treaty should consequently be invoked to provide a much broader *legal basis* for a vigorous Community social policy in order to adapt to current objectives and specific requirements the means provided for in the 1957 Treaty, which have in the meantime been superseded in political and economic terms, to which end the means provided for under the ECSC Treaty might also serve as a model ;
- 10(f) Considers, moreover, that for the *ESF*, in the context of EMU (EMS),
  - a considerable transfer of resources to the Fund,
  - a fundamental extension of its tasks and
  - a radical reform of its management structure
 are essential, in particular to safeguard employment, and in general to make the Fund serve as the

employment fund unmistakably intended in Article 125(1) of the EEC Treaty ; draws attention to its repeatedly<sup>4</sup> expressed demand that the Commission propose to the Council that the Commission, as manager of the Fund, should gradually be granted powers to act on its own initiative and, pending this development, expects the Commission to continue to propose to the Council, in given cases outside the scope of the Fund, special temporary budgetary appropriations for aid to specific sectors ;<sup>5</sup>

10(g) Also considers it urgently necessary for account to be taken at this stage of :

- the need in due course to extend the EMU (EMS) — with particular regard to its social aspects — between the present nine Member States to those countries which will shortly be acceding to the Community, and vice-versa ;
- the implications of their accession for the EMU (EMS), namely the increase in the freedom of movement for workers, the increasing economic and social disparities between the northern and southern regions of the enlarged Community and so forth.

What is the rapporteur's view ?

**Lord Ardwick, rapporteur.** — This puts the House and the rapporteur in something of a dilemma. These are quite worthy additions to the resolution, but of course they only reached the Committee on Economic and Monetary Affairs after 2 November, after we had our last meeting before coming here, so the committee has never had time to consider it. Moreover, I do not think it is a very good idea to make a large specific addition to what is intended to be a general resolution on economic and monetary union.

What I would ask is that the Committee on Social Affairs, Employment and Education should withdraw this text and then re-present it to us, perhaps after we have all had a look at the terms of the Bremen agreement, and then the Committee on Economic and Monetary Affairs can find ways of incorporating this into another, new, general resolution on EMS. But if the Committee on Social Affairs, Employment and Education does not see fit to withdraw it today, then I would suggest that we vote against it without prejudice to the content.

**President.** — Does the Committee on Social Affairs, Employment and Education maintain its amendment ?

I call Mr Wawrzik.

<sup>1</sup> COM (77) 620 final, p. 15, subpara. (e).

<sup>2</sup> COM (77) 620 final.

<sup>3</sup> COM (78) 52 final.

<sup>4</sup> Parliament's most recent resolution of 12. 5. 1977, paragraph 15, OJ C 133, 1977.

<sup>5</sup> Fisheries sector (Doc. 357/77) : Parliament's resolution of 16. 12. 1977, paragraphs 47 *et seq.*, OJ C 6, 1978 ; see also Chapter 37 of the Community budget, 'Commission'.

**Mr Wawrzik.** — (D) Mr President, I would still ask you to put the amendment to the vote. We have discussed the matter thoroughly in the Social Affairs Committee, and yesterday the House had an opportunity to discuss the amendment. I therefore ask the House to embody Amendment No 1 in the motion for a resolution.

**President.** — I put Amendment No 1 to the vote. Amendment No 1 is adopted.

I put paragraph 11 to the vote.

Paragraph 11 is adopted.

I put to the vote the motion for a resolution as a whole, including the various amendments that have been adopted.

The resolution is adopted.<sup>1</sup>

**President.** — I put to the vote the motion for a resolution contained in the *Pisani report (Doc. 448/78): European Monetary System*.

The resolution is adopted.

**President.** — I put to the vote the motion for a resolution contained in the *Stetter report (Doc. 434/78): Economic policy guidelines for 1979*.

The resolution is adopted<sup>1</sup>.

#### 7. Regulations on certain Cyprus wines

**President.** — The next item is the report by Mr Spicer (Doc. 438/78), on behalf of the Committee on External Economic Relations, on

the proposals from the Commission to the Council for

- I. a regulation opening, allocating and providing for the administration of a Community tariff quota for wines of fresh grapes falling within subheading ex 22.05 C of the Common Customs Tariff, originating in Cyprus (1979), and
- II. a regulation opening, allocating and providing for the administration of a Community tariff quota for liqueur wines falling within subheading ex 22.05 C of the Common Customs Tariff, originating in Cyprus (1979).

I call Mr Gundelach.

**Mr Gundelach, Vice-President of the Commission.** — Mr President, my comments can be very short, because the two regulations which are before you have been submitted as executive measures to fulfil the Community's obligation laid down in the supplementary protocol to the association agreement between the Community and Cyprus, on which the Parliament gave a favourable opinion on 16 June 1978. Articles 5

and 6 of the said protocol provide for the opening for 1978 of a tariff quota of 10 000 hectolitres for certain wines made from fresh grapes originating in Cyprus at reduced duty rates and a tariff quota of 250 000 hectolitres of liqueur wines originating in Cyprus at reduced duty rates. The reference prices applicable to them have to be respected. The two regulations further provide for the allocation of shares to the Member States and for a system for drawing of supplementary shares and returning the unused portion to the Community reserves.

I must underline that the provisions of the proposed regulations are identical with those in force for 1978 and analogous to those applied in general to all Community tariff quotas. It should therefore, in my view, Mr President, be a straightforward matter in the proper application of our association agreement with Cyprus; I am happy that the report which is in front of you takes the same view and I am grateful for that.

**President.** — I note that no one else wishes to speak. The motion for a resolution, as it stands, will be put to the vote at the end of the sitting.

The debate is closed.

#### 8. Regulation suspending duties on certain types of fish

**President.** — The next item is the report by Lord Kennet (Doc. 450/78), on behalf of the Committee on External Economic Relations, on

the proposal from the Commission to the Council for a regulation temporarily and partially suspending the autonomous Common Customs Tariff duties on certain types of fish.

I call Mr Gundelach.

**Mr Gundelach, Vice-President of the Commission.** — Mr President, very briefly, the subject of the regulation proposed by the Commission is the prolongation of a duty suspension of 10 % for some varieties of fish for another six months. This should enable the Community's processing industry, which cannot sufficiently be supplied by Community fishing-fleets at the present moment, to obtain from third countries new material which is partly exempted from duty. Thus, the competitiveness of the Community industry with respect to low-price offers of finished products from third countries can be improved. As the Community processing industries concerned are situated in regions especially suffering from unemployment, the proposed measures may contribute to a stabilization of the labour market. Furthermore, these duty suspensions should arrest inflationary tendencies in the sector in question.

<sup>1</sup> OJ C 296 of 11. 12. 1978.

## Gundelach

Here once again, Mr President, these views are shared by the rapporteur and the report from the committee which has been submitted to you, and there therefore seems to be no matter of controversy — on the contrary. I should mention, however, briefly that there have been a couple of comments made in the report to which I shall give a very brief answer. Reference has been made to the fact that this is not a tariff suspension for one country even if it might have originated in a request from one country. No: it is quite correct that it is for the Community as a whole, and of interest to more than one Member State.

Secondly, reference is made to the fact that the Council in May carried out the first suspension under, I think, Article 26 or 28 — that is, without hearing the Parliament. This is not a criticism, in the report, of the Commission, which did make a proposal to that effect. I can only declare myself in agreement with that comment in the report of the committee. I do not believe that that procedure is correct, and it should not be followed in the future and is not being followed in this particular case.

Having said that, of course, I must underline that there will always be a difference between a matter of tariff suspensions, with are a short term measure to take care of conjunctural problems and more permanent changes in the common external tariff such as those which are at the present time being negotiated in Geneva, which is a long-term affair. And of course there may be occasions where tariff suspensions may have to be made at very short notice, and only with subsequent consultation of the European Parliament, but the normal procedure is the one which is being followed today.

**President.** — I call Mr Prescott.

**Mr Prescott.** — Mr President, I apologize on behalf of my group colleague, who is not here this morning. In view whether I could just ask him to give me further information on a matter which I have been pressing him about, in regard to Iceland. We were concerned about the tariffs in these cases, particularly in regard to fish that was available in Iceland, as I have mentioned to him before. We have the ironic situation that we have fish swimming around Iceland which people wish to take out and for which there is no market, primarily because of the differential rates that exist in the tariffs on that fish coming into the Community.

In my area of Humberside, in the processing industries, some of which are closing, there are workers who would desperately like to get the fish. So we have an unusual situation: fish is available; fisherman want to fish it; people wish to work on it; people wish to be employed in it. The only thing, apparently, that stands in the way is the tariff that we impose on certain fish coming from Iceland into the Commu-

nity. It does seem, from answers the Commissioner has given me previously, that we are protecting some of the flat-fish industry, I think, in Holland in order to maintain, presumably, a very high price due to the shortage of fish. I wonder whether the Commissioner can give me any further information as to the possibility that these tariffs might be reconsidered or reduced in the light of what he is saying in reply to the document this morning and, perhaps, give some hope to a very sorely pressed area like Humberside of getting some of the fish which is waiting to be caught and which we desperately need.

**President.** — I call Mr Gundelach.

**Mr Gundelach, Vice-President of the Commission.** — Mr Chairman, the answer to Mr Prescott's question was already contained in my previous remarks, which, without reopening the debate, I am quite prepared to elaborate. The answer lies in the distinction between a permanent lowering of the tariffs and a suspension of tariffs. We are discussing the former in the multilateral trade negotiations in Geneva, which are in their final phase and which are supposed to be concluded by the end of the year. There we are talking about a permanent treaty-bound reduction in tariffs. Here we are talking about the first series of measures concerning a tariff suspension, which is something that lasts for a limited period of time and can then be renewed. But it is entirely up to us to decide the extent and duration of these cuts. If we wish, we can even withdraw the concessions. And that is the central point, since we entirely agree that there is currently a shortage of certain kinds of fish, which could have very serious consequences for the fishing industry in one or other Member State. In these circumstances, should the fish be available in third countries such as Iceland or Canada, we would introduce a tariff suspension so as to secure supplies of raw material for our industries.

That is one point. But what we are being pressed to do in the international trade negotiations in Geneva is to make a permanent cut in our tariffs on fish and fish products for the foreseeable future. This would create difficulties for the conservation measures we have taken or are about to take as part of an even more far-reaching policy, aimed at rebuilding our stocks, and giving more employment to our fishing fleets over the next 5-10 years. If by that time we have already opened the door to the free import of fish and fish products from third countries, we shall be putting our fishing fleets and those who work in the fishing fleets in an impossible competitive position. That is why, throughout the negotiations in Geneva, we shall be under very strong pressure from the Canadians, Americans and Japanese to open up our markets on a permanent basis. We have taken certain measures in relation to the suspension of tariffs, but we have been, somewhat careful, and when these negotiations are



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over we shall have to consider what further measures should be taken in regard to the suspension of tariffs in order to ensure that our industries remain supplied with raw materials. We have already taken some measures, but we shall be willing to take whatever further measures are necessary in order to ensure that our fishing industries are properly supplied with raw materials, whether caught by our own fleets or imported on reasonable terms.

**President.** — I note that no one else wishes to speak. The motion for a resolution, as it stands, will be put to the vote at the end of the sitting.

The debate is closed.

## 9. Conference of Mediterranean States

**President.** — The next item is the oral question, without debate, by Mr van Aerssen to the Commission, on the Conference of Mediterranean States (Doc. 421/78):

Fears are growing in a number of Mediterranean countries that when Greece, Portugal and Spain join the Community and are integrated into the common market, especially the agricultural market, the existing balance-of-trade preferences granted by the Community to all the Mediterranean countries will be destroyed.

Does the Commission agree with the Tunisian Prime Minister, Mr Nouira, that a conference of all the Mediterranean countries should be called and that such a conference would be an appropriate forum for the discussion of the problems arising from the accession of the three applicant countries to the Community?

I call Mr van Aessen.

**Mr van Aerssen.** — (D) Mr President, ladies and gentlemen, the background to this question is the fact that on 1 November the new agreements with the Maghreb and Mashreq States entered into force and the Financial Protocols with Portugal and Malta were signed. This is surely a new milestone in the European Community's relations with the Mediterranean countries and I believe it is legitimate to speak of a new model for these relations. For our special relations with these countries take on a new character with these agreements.

Now that we are entering a second phase in these relations and the Community is being enlarged towards the South, we must face the fact that a good deal of apprehension has been aroused in the Mediterranean area by the prospect of enlargement southward, to include the States with which we have now taken up these new intensive contacts. There is the fear, for instance, that the economic barriers will simply be moved outward, driving a wedge between the Mediterranean countries and making them feel isolated. Some of them have the impression that a unilateral enlargement southward which does not take into account the particular political situation in that area will isolate

them and, what is more, the Soviet Union's opportunities for turning the Mediterranean into a *mare sovieticum* will be enhanced.

Hence our concern and our question to the Commission whether these fears of the Mediterranean countries could not be countered by opening up a multilateral dialogue. By holding a conference of all the Mediterranean countries, we could, while keeping the talks on southern enlargement going, eliminate these fears and so strengthen the overall impact of the Mediterranean policy. This is all the more important in view of the fact that the Mediterranean has always been at the centre of the North-South Dialogue in the past; in view of this historical dimension, my friends are of the opinion that we could make progress by means of a dialogue such as has been proposed by the Tunisian Prime Minister.

So the question is, whether the Commission is prepared to tell us that it supports this initiative and will undertake to pursue the question of a joint dialogue in future.

**President.** I call Mr Gundelach.

**Mr Gundelach, Vice-President of the Commission.** — Mr President, the Commission is naturally fully aware of the consequences which the accession of Greece, Portugal and Spain may have for the Mediterranean countries in general and for those with whom we have preferential agreements in particular.

The Commission's position has been set out in the communication submitted to the Council in April this year and entitled General Considerations on the Problem of Enlargement. In this paper, the Commission reached the conclusion that one consequence of enlargement would be an erosion of the share of the Community market held at present by those countries, as a result of competition from the new Member States, particularly Spain.

In agriculture, the countries most likely to be affected are Morocco, Israel and Tunisia, because of the importance of the Community market for their agricultural exports and therefore for the stability of their economy and their political systems.

In the industrial sector, all the Mediterranean countries are likely to be affected eventually. The Commission stressed in its communication that these effects were likely to give rise to economic and, as I said, social difficulties in the countries concerned, with possible political repercussions, as the honourable Member rightly underlines. For this reason the Commission proposed that, parallel with enlargement, measures should be worked out with the Mediterranean countries in order to strike a new balance and find new areas of complementarity between each of them and the new enlarged Community. These measures will be the result of active cooperation and

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take due account of all aspects of the economic and social development of the new Community and its Mediterranean partners. It will also permit orderly trade and the continued development of the countries concerned, with the Community's help.

The Commission considers that the problems just described should be dealt with in the context of an overall solution which takes all the Mediterranean States into account at the same time. As far as the working methods are concerned, what we have in mind is, at least in principle, very close to what the honourable Member himself put forward. Therefore we can agree with the thrust of his questions. I hope that this statement has also made it clear to the House and to the honourable Member that the Commission is actively engaged in finding a solution to these problems, which might otherwise become quite serious.

**President.** — This item is closed.

10. *Directive on certain types of combined road-and-rail transport*

**President.** — The next item is the report, without debate, by Mr Damseaux (Doc. 425/78), on behalf of the Committee on Regional Policy, Regional Planning and Transport, on

the proposal from the Commission to the Council for a directive amending Directive 75/130/EEC on the establishment of common rules for certain types of combined road-and-rail carriage of goods between Member States.

I note that no-one wishes to speak. The motion for a resolution, as it stands, will be put to the vote at the end of the sitting.

11. *Directives on agricultural tractors*

**President.** — The next item is the report, without debate, by Mr Nyborg (Doc. 424/78), on behalf of the Committee on Economic and Monetary Affairs, on

The proposals from the Commission to the Council for

- I. a directive on the approximation of the laws of the Member States relating to the roll-over protection structures of wheeled agricultural or forestry tractors (static testing), and
- II. a directive on the approximation of the laws of Member States relating to the towing-hooks and reserve gear on wheeled agricultural or forestry tractors.

I note that no-one wishes to speak. The motion for a resolution, as it stands, will be put to the vote at the end of the sitting.

12. *Regulation on the abolition of postal charges for consignments presented to customs*

**President.** — The next item is the report, without debate, by Mr Nyborg (Doc. 398/78), on behalf of the Committee on Economic and Monetary Affairs, on

the proposal from the Commission to the Council for a regulation on the abolition of postal charges for the presentation to customs of consignments of goods from another Member State which are relieved of internal taxes payable at importation.

I note that no one wishes to speak. The motion for a resolution, as it stands, will be put to the vote at the end of the sitting.

13. *Votes*

**President.** — The next item comprises the votes on motions for resolutions on which the debate is closed. I put to the vote the motion for a resolution contained in the *Pisoni report (Doc. 451/78): Regulations on wine-growing potential.*

The resolution is adopted.<sup>1</sup>

**President.** — I put to the vote motion for a resolution contained in the *Spicer report (Doc. 438/78): Regulations on certain Cyprus wines.*

The resolution is adopted.<sup>1</sup>

**President.** — I put to the vote the motion for a resolution contained in the *Kennet report (Doc. 450/78): Regulation suspending duties on certain types of fish.*

The resolution is adopted.<sup>1</sup>

**President.** — I put to the vote the motion for a resolution contained in the *Damseaux report (Doc. 425/78): Directive on certain types of combined road-and-rail transport.*

The resolution is adopted.<sup>1</sup>

**President.** — I put to the vote the motion for a resolution contained in the *Nyborg report (Doc. 424/78): Directives on agricultural tractors.*

The resolution is adopted.<sup>1</sup>

**President.** — I put to the vote the motion for a resolution contained in the *Nyborg report (Doc. 398/78): Regulation on the abolition of postal charges for consignments presented to customs.*

The resolution is adopted.<sup>1</sup>

<sup>1</sup> OJ C 296 of 11. 12. 1978.

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*14. Dates of the next part-session*

**President.** — There are no other items on the agenda. I thank the representatives of the Council and the Commission for their contributions to our debates.

The enlarged Bureau proposes that our next sittings be held at Luxembourg during the week from 11 to 15 December 1978.

Are there any objections?

That is agreed.

*15. Approval of the minutes*

**President.** — Rule 17 (2) of the Rules of Procedure requires me to lay before Parliament, for its approval,

the minutes of proceedings of this sitting, which were written during the debates.

Are there any comments?

The minutes of proceedings are approved.

*16. Adjournment of the session*

**President.** — I declare the session of the European Parliament adjourned.

The sitting is closed.

*(The sitting was closed at 9.40 a.m.)*

